

INTERNATIONAL NEWS

Yeltsin pledge to direct missiles away from US

By John Lloyd in Moscow and Lionel Barber in Washington

MR BORIS Yeltsin, the Russian president, has promised to change the guidance system of the former Soviet intercontinental ballistic missiles so they no longer target the US.

"We want to change our military doctrine and no longer regard the US as our potential adversary," Mr Yeltsin said in an interview with ABC TV, filmed over the weekend and to be broadcast on Friday.

The Russian president did not say whether other nuclear states - such as France, the UK and China - were also no longer seen as hostile, nor did he specify to what targets the missiles would be redirected.

In the US, President George Bush is expected to propose deep new cuts in nuclear warheads in his State of the Union address to Congress tomorrow. He is also expected to discuss the plans with Mr Yeltsin at Camp David next weekend.

The US cuts are likely to focus on multi-warhead missiles at land and sea, with one option being to scale back the number of warheads on each missile and phase out other systems such as the land-based MX peacekeeper.

The administration is also leaning towards abandonment of the Anti-Ballistic Missile Treaty, the 1972 treaty signed with the former Soviet Union

which laid down strict guidelines on the development and deployment of defences against offensive nuclear missiles.

A team of US nuclear arms experts led by a senior state department official visited Moscow last week and asked Russia and other nuclear-armed republics to adhere to the Start treaty signed last year which cuts offensive war-

'We want to change our military doctrine, and no longer regard the US as our potential adversary.'

heads by 30 per cent, but made no mention of the ABM treaty, the Washington Post reported. The break-up of the Soviet Union and the risks of nuclear proliferation have generated fresh support in the US for scaling back offensive systems and strengthened defences. This marks a shift in old nuclear doctrine.

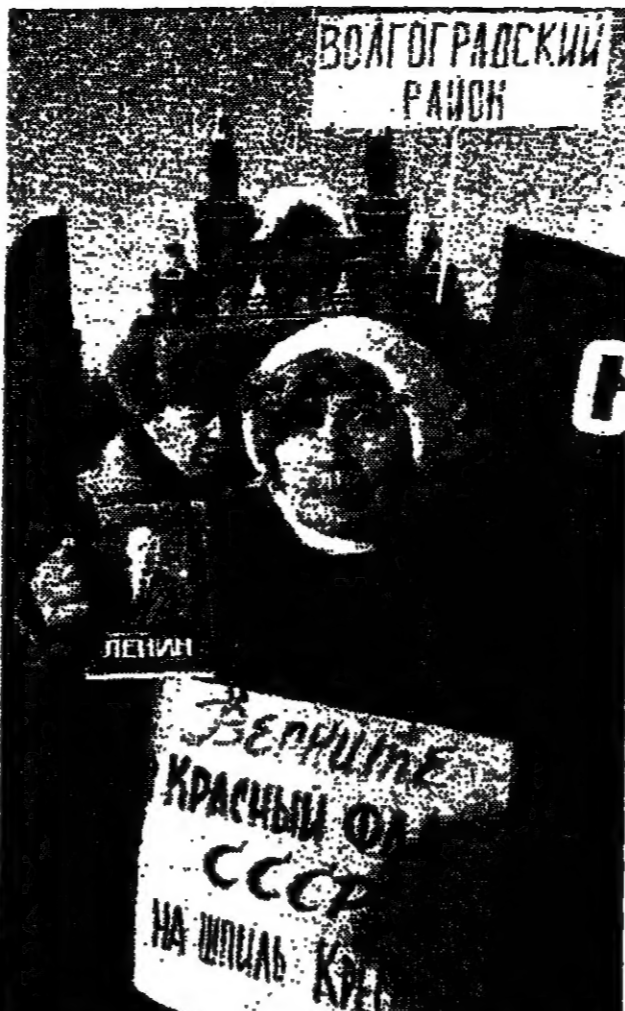
Mr Yeltsin said during the TV interview at the weekend that an official statement on the change of direction for intercontinental missiles would be made today, and would be repeated when Mr Yeltsin appears before the UN Security Council on Friday.

Senior military figures and foreign policy analysts in Moscow have complained that the cuts in arms and defence procurement made by the Russian budget - passed by deputies in the Russian parliament on Friday - has left the Commonwealth of Independent States (CIS) and Russia with no coherent military doctrine.

Mr Yeltsin has stressed in meetings with the British and French foreign ministers that the nuclear forces of the CIS are under a single unified command, and that he, together with Marshal Yevgeny Shaposhnikov, commander-in-chief of the CIS forces, have the final decision on their use.

The strategic and tactical missiles based in other republics are due to be sent back to Russia, or destroyed in situ, over the next few years. Mr Leonid Privalov, deputy chairman of Belarus's parliamentary Commission of National Security, said yesterday that the first batch of tactical missiles had already been sent to Russia.

Mr Privalov said: "Belarus will get rid of its strategic weapons around 1996 or 1997... at present we do not see an adversary, either near our borders or elsewhere, with whom we would need to fight."



A protester in Red Square, yesterday, holds a placard reading: 'Return the Red Flag to the top of Kremlin'

Cresson, Mitterrand see poll ratings rise

By Alice Rawsthorn in Paris

THE STEADY fall in popularity of France's President François Mitterrand has apparently halted as both he and Mrs Edith Cresson, the prime minister, experienced a rise in their opinion poll ratings.

The latest Ifop poll, published in yesterday's *Journal du Dimanche*, shows that 28 per cent of voters are satisfied with Mr Mitterrand's performance, compared with just 23 per cent in December, when he registered the lowest rating of any president in the history of the Fifth Republic. This increase is the first rise in his ratings after nine successive months of decline.

Mrs Cresson, a controversial figure since she became prime minister last spring, has also benefited from a slight improvement in popularity. The proportion of voters who said they were satisfied with her rose to 23 per cent from 20 per cent a month ago.

Both Mr Mitterrand and Mrs Cresson seem to have arrested their sliding popularity by winning the approval of previously ambivalent voters rather than by converting their critics. Most voters still claim to be dissatisfied with them. The president's dissatisfaction rating has fallen by just two points to 63 per cent over the past month and that of the prime minister by one point to 56 per cent.

This swing in the opinion polls is not strong enough to affect the political prospects of France's Socialist party as it prepared to fight the regional elections this year and next year's national elections. However, it does reflect the lowering of the political temperature in France, where the Socialists have tried to highlight wider issues such as immigration.

On Saturday some senior government figures - including former prime ministers Mr Michel Rocard and Mr Laurent Fabius, recently appointed head of the Socialist party - joined more than 50,000 demonstrators in an anti-racist march through Paris.

Unions begin vote on German steel and bank strikes

By Quentin Peel in Bonn

VOTING began yesterday in the strike ballot of 100,000 trade union members in the German steel industry to decide whether to call their first stoppage since 1979.

One of the two big unions in the German banking industry will also decide today whether to hold a similar strike ballot, after the breakdown of wage negotiations last week.

The threat of the two strikes, combined with the prospect of a stormy pay negotiation opening in February for the 5m government workers and a hefty pay claim from 4m engineering workers, leaves Germany facing its most troubled industrial relations period in recent years.

Officials in IG Metall, the union representing both the steel and engineering workers, insisted over the weekend the mood was running strongly in favour of a steel strike.

Wage negotiations in the industry broke down after nine sessions, with the difference between the employers and unions reduced to barely 1 percentage point, according to various calculations, IG Metall

was ready to settle for 6.5 per cent, down from the 10.5 per cent original claim, while the employers are offering between 5.3 and 5.7 per cent.

A 75 per cent vote is needed in the ballot to call a strike.

Wage negotiations for banking workers broke down last Wednesday, and today the white-collar workers' union, DAG, will decide whether to hold a strike ballot. The HBV, the other trade union representing banking workers, is also threatening a ballot, rejecting the bank employers' latest offer of five per cent as "outrageous" after a year of record banking profits.

Negotiations for government workers begin on February 7. They want a 9.5 per cent rise, the figure recommended by IG Metall to regional branches as the maximum demand for engineering workers.

Mr Theo Waigel, finance minister, whose increased taxes to finance German unity have helped fuel the wage demands, warned trade unions that any stoppage would be "a blow to the economic re-unification of Germany".

Envoy tests water for Yugoslavia peace force

By Laura Silber in Belgrade

A SPECIAL envoy of the United Nations yesterday began a five-day mission in Yugoslavia to determine whether it will be possible to deploy 10,000 peacekeepers.

Mr Maxrak Goulding, UN under-secretary in charge of peacekeeping forces, will decide whether the 23-day-old UN-brokered ceasefire is stable enough for peacekeeping forces to enter Croatia's war zones.

The ceasefire yesterday appeared to be holding in most battle zones. Croatian radio said a three-year-old Croatian boy was killed when a bomb exploded in Karlovac, central Croatia. Serbian media reported sporadic shooting in eastern Croatia and in Zadar, an Adriatic port.

During his mission, Mr Goulding, a Briton, will talk to Serb leaders from Krajina, a Serb enclave in Croatia, who oppose the UN plan calling for the Serb-dominated federal army to withdraw from Croatia. He will also meet federal, Serb and Croat government officials and army leaders.

In a sign of the economic devastation caused by the seven-month-old war, the Yugoslav dinar, the national currency, was devalued yesterday by 80 per cent. The Serb-controlled federal government said the new rate would be 66 dinars, instead of 13, to DML, reported Tanjug news agency. The new rate is closer to the thriving black market rate of up to 110 dinars.

Dublin gears up for a leadership contest

By Tim Coone in Dublin

MR CHARLES HAUGHEY, the Irish prime minister, is expected to announce his resignation on Thursday, following last week's ultimatum from his Progressive Democrat coalition partners to restore the credibility of the government or lose their support.

Backbenchers in Mr Haughey's Fianna Fail (FF) party expect him to announce that he will step down as party leader at a meeting of the FF parliamentary group on Thursday, the day after the presentation of the 1992 budget.

There are three main contenders to succeed Mr Haughey. Mr Albert Reynolds, a former finance minister, is

the strongest. He was sacked by Mr Haughey last November after leading an attempt to oust the prime minister. He has strong backbench support, although many of his former cabinet colleagues are likely to oppose him, as will Mr Haughey himself. Mr Reynolds said last week he intended to be a candidate "once the prime minister's post is vacant".

Mr Bertie Ahern, who replaced Mr Reynolds in the Finance Ministry, would be Mr Haughey's preferred choice. He commands respect in the party as an able negotiator, and is trusted by the country's trade union leaders. Mr Ahern may be seen as the best candidate

to steer the economy through a difficult year ahead. However, he has consistently disavowed any leadership ambitions. He said he would make his intentions known "before Thursday's vote".

Mrs Mary O'Rourke, the minister for health, is the only other serious contender to have emerged since the leadership issue came to the fore at the end of last year. Mrs O'Rourke is seen as a strong reformer on social issues and could win support from an electorate that increasingly sees Irish legislation on issues such as divorce and women's rights as outdated.

Mr Haughey's succession

will hinge on whether Mr Ahern decides to stand himself, or to back one of the other contenders.

Intense lobbying can be expected, in which Mr Haughey will play a central role.

The possibility of Mr Haughey deciding to fight on as prime minister cannot be ruled out. He could ask the president, Mrs Mary Robinson, to dissolve the government after the budget is approved, and call a snap general election.

There is considerable resentment within Fianna Fail that the Progressive Democrats have been able to force the

leadership issue in Fianna Fail by threatening to pull out of the government. The PDs hold only six seats in parliament, against Fianna Fail's 77.

Fianna Fail backbenchers, especially those in marginal seats, would rather not face an immediate election. The party could lose support because of its failure to deal decisively with its internal problems.

"We could expect to lose at least eight seats," said one backbencher. "A general election must be avoided."

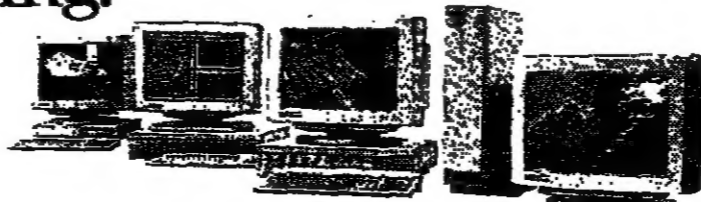
If Mr Haughey resigns, the coalition government could hope to hold together until the next general elections, which must be held before June 1994.

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INTERNATIONAL NEWS

Anxious Asean leaders tighten economic knot

Victor Mallet on plans to set up a south-east Asian free-trade zone

SIX south-east Asian leaders are expected to sign an agreement in Singapore tomorrow on a mutual reduction of tariffs aimed at creating a free-trade area within 15 years.

The pact, worked out for this week's summit of the Association of South East Asian Nations (Asean), which embraces a population of 520m, owes as much to fears of rising protectionism in world markets as to the regional trend towards economic liberalisation.

Asean leaders - from Indonesia, Thailand, Malaysia, the Philippines, Singapore and Brunei - are worried the Uruguay Round of trade talks will fail and that their export-dependent economies could be left out in the cold by trade blocs such as the European Community and the North American free-trade area.

Mr Goh Chok Tong, Singapore's prime minister, said at the weekend that the Asean free-trade area (Afta) would make the region more attractive for trade and investment in the face of competition from Europe and America.

The draft Asean agreement calls for a system of common

effective preferential tariffs (Cepf) for intra-Asean trade to be introduced on January 1 1993, starting with manufactured goods, processed agricultural products and capital goods and leading to the Asean free-trade area, with tariffs of 0-5 per cent within 15 years.

More than 12 sectors - including cement, electrical items, textiles, rubber and plastic goods and vegetable oil - have been earmarked for the first stage, which is expected to set initial intra-Asean tariffs for the products at 20 per cent or less.

Sceptics point out that Asean is already operating preferential tariff arrangements which have been notable for their half-heartedness and lack of success. The latest proposals continue to include an opt-out clause known as "six minus x" allowing individual countries temporary exemptions.

The private sector, in the form of the Asean Chambers of Commerce and Industry, has expressed concern over non-tariff barriers and the exclusion of services from the Afta proposals. But businessmen and officials believe fear of protectionism in foreign markets



Philippine President Corason Aquino reviews an honour guard yesterday on arrival in Singapore for the Asean summit

and continuing liberalisation in individual Asean states will be sufficient to ensure progress.

Trade within Asia as a whole is thriving, but intra-Asean dealings have done no more than maintain a 4-5 per cent share of the association's growing international trade, if Singapore and its huge re-export trade is excluded, leaving its members vulnerable to external shocks.

Mr Anand Panyarachun, the Thai premier who has vigorously promoted Afta and wants it implemented in 10 years rather than 15, says: "The

actual level of intra-Asean trade and intra-Asean investment has not risen significantly in the last 20 years.

"Now we find access for our exports to markets abroad being not as open as before. At the same time our industries have matured and become more competitive internationally, and this has led us to be more confident about pursuing policies of economic liberalisation."

Mr Lee Hsien Loong, Singapore's trade and industry minister, put the case for regional tariff cuts in a statement last week. "If a company in one

Asean country cannot compete against other Asean countries," he said, "what hope does it have on world markets, where the competition is much fiercer?"

Asean would prefer multilateral world trade liberalisation under the auspices of Gatt, and Asean officials last week shelved a controversial Malaysian proposal for an East Asian economic caucus which would have excluded the US. But, as one minister said, the idea is being put in a "glass case" from which it can be removed if a battle of the trade blocs begins.

Aquino's choice may hit IMF agreements

By Jose Galang in Manila

PRESIDENT Corason Aquino's support for the candidacy of Mr Fidel Ramos, a ruling party outsider and former defence secretary, in Philippine presidential elections in May could affect economic agreements with the IMF.

The announcement was not a complete surprise but it did disappoint the leadership of the ruling party, Laban ng Demokratikong Pilipino (LDP), which had favoured the house speaker, Mr Ramon Mitra.

Mrs Aquino's choice could make the LDP-dominated Senate less enthusiastic about approving new tax measures that must precede an important International Monetary Fund agreement. The LDP, which is seen as loyal to Mr Mitra, evolved from the broad coalition which helped bring Mrs Aquino to power in 1986.

Mrs Aquino's decision not to choose Mr Mitra demonstrates the fragility of the coalition. In a party straw vote last November, but the latter accused the Mitra group of cheating.

Some politicians have said Mrs Aquino's move could derail some of her administration's economic programmes. Among these are the government's commitments to the IMF in exchange for financial support for Manila's programmes.

Kashmir 'unity tour' fizzles out

By K K Sharma in New Delhi

AS Sikh militants fired guns all day in Srinagar, the capital of Kashmir, a small group from the Hindu nationalist Bharatiya Janata party, led by its president, Mr Murli Manohar Joshi, yesterday unfurled the national flag in the Lal Chowk area of the state capital.

The ceremony, intended to demonstrate the country's unity, served instead to show that the militants fighting for an independent Kashmir had the upper hand. Though Srinagar was under curfew and streets were heavily patrolled, guns crackled all day.

The ceremony at which the flag was hoisted yesterday, India's Republic Day, brought to a climax Mr Joshi's 45-day *ekta yatra* (unity tour), which took him through 14 states at the head of a caravan of vehicles. Mr Joshi was able to accomplish the mission's final ceremony only with the connivance of the authorities.

He was flown from Jammu to Srinagar on Saturday evening by the Indian Air Force when the road was declared closed, reportedly because of a landslide.

The "unity" cavalcade, in

effect, ended at Jammu. The 60,000 people who were meant to accompany Mr Joshi were left behind there.

In place of the planned huge gathering, the national flag was hoisted at a brief ceremony at which less than 200 were present amid the tightest security Srinagar has seen.

Despite the curfew and the security, militants kept up a steady fire all day. Mr Joshi flew back to Jammu yesterday after the ceremony and survived an attempt to shoot down the aircraft carrying him.

Mauritania's ruler wins poll

MAURITANIA'S military leader Colonel Maouya Ould Sid Ahmed Taya yesterday won the country's first open presidential elections, but his main rival and diplomats said there was cheating. Reuter reports from Nouakchott.

With only one minor result to come, Interior Ministry figures gave Col Taya 62.6 per cent of the vote - nearly twice as much as the 32.8 per cent polled by Ahmed Ould Dadah, the main opposition candidate and a former political exile.

But the opposition said it had proof of electoral fraud.

Li Peng ends isolation with four-nation visit

CHINA'S Prime Minister Li Peng arrived in Rome last night on his first trip to the west since the 1989 crackdown in Beijing on pro-democracy protests. The tour takes him to the United Nations and four European countries. Reuter reports from Beijing.

Li is accompanied by his wife and Qian Qichen, foreign minister. Li Lianqing, minister for foreign trade, is also in the party, according to the official New China News Agency. In Rome, hundreds marched on Saturday to denounce the Ital-

ian government for becoming the first western country to receive Li since the army's attack on protesters in Tiananmen Square. The Chinese leader will spend two days in Italy before attending the World Economic Forum that opens on January 30 in Davos, Switzerland.

On January 31 he will attend a special summit of the United Nations Security Council in New York. He rounds off his trip with visits to Portugal from February 2 to 4 and Spain from February 4 to 6.

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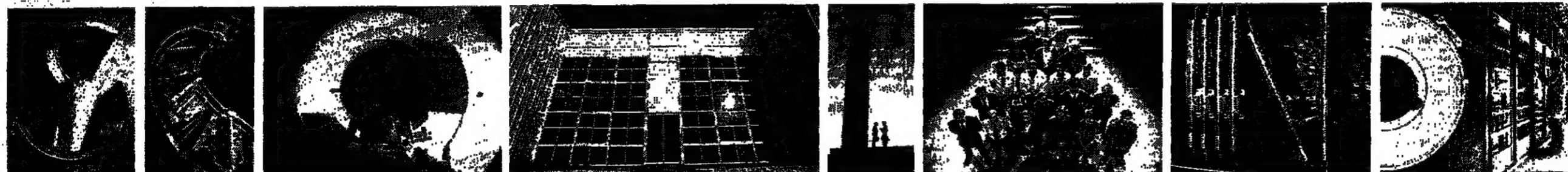
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UK NEWS

Tories accuse Brussels of political interference

By Philip Stephens, Political Editor

THE European Community's refusal to release funds earmarked for Britain's depressed regions returned to the centre of the election campaign at the weekend, with the government accusing the European Commission of political interference.

Mr Michael Heseltine, the Environment Secretary, accused Mr Bruce Millan, the European Commissioner with responsibility for regional aid, of "ganging up" with the opposition Labour party to embarrass the government.

Mr Millan, who was nominated to the Commission by Labour, indicated last week that some £130m of aid to ease the impact of pit closures British coal-mining was threatened by the government's refusal to give satisfactory assurances that this would be additional to the Treasury's own spending. He warned also that another £500m in regional aid might be in jeopardy.

That brought claims from the Labour party yesterday



Heseltine: angered by EC that the Conservatives were depriving depressed areas of vital funds so that the money could be directed elsewhere. In typically colourful language, Mr Gerald Kaufman, the party's foreign affairs spokesman, said the government should give the assurances sought by Brussels. "All the other 11 European

Community countries accept the rules. Only British Tories are so crooked. The sooner we have an election and a Labour government, the sooner we will be seen by our European partners as law-abiding instead of Tory rule-breakers," Mr Kaufman said.

Mr Heseltine has argued privately within the cabinet that it should seek to avoid a public row with the Commission by offering further assurances that the money allocated in regional aid would be additional to rather than a substitute for the government's own projects. The Treasury, however, has refused to change its accounting practices.

Yesterday, Mr Heseltine stressed that the system now operating was the same as the one which applied under Labour governments in the 1970s when Mr Millan had been a Scottish minister. The commissioner's refusal to release the funds therefore represented an "intolerable" interference. Monday Interview, Page 28



Mourners commemorate the 20th anniversary yesterday of Bloody Sunday in Londonderry, Northern Ireland. They later joined a march in remembrance of 14 people shot dead by British troops during a civil rights protest in 1972.

Consultants warn Lloyd's contracts may be invalid

By Richard Lapper

REINSURANCE CONTRACTS which have generated multi-million pound losses for Lloyd's Names may be invalid, according to a report by the specialist reinsurance consultants, Rodney-Smith & Partners.

The report was commissioned by Names - the individuals whose assets back underwriting at Lloyd's - who were members of syndicates managed by Rose Thomson Young and Gooda Walker agencies between 1988 and 1990.

The syndicates reinsured the exposures of other Lloyd's syndicates to catastrophe losses and were hard hit by a string of natural disasters and industrial accidents.

The report, which Rodney-

Smith expects to complete in the next two to three weeks, was prepared following a legal opinion offered in October by Mr Gavin Lightman QC.

Mr Lightman said the contracts could be voidable if they were entered into for reasons other than for the benefit of Names and if other parties to the contracts knew about this. The report provides some hope for over 3,000 Gooda Walker Names who were told last week that they face a cash call of £101m for losses incurred during 1989 and 1990.

Six months ago Gooda Walker Names received a bill for £137m for 1989 and 1990 losses and the syndicates' total losses for the two years are expected to rise even higher over the next eighteen months.

BT revives talks on global network

By Alan Cane

NEGOTIATIONS to form a global communications network for business users have been revived by telecommunications companies in Britain, Germany and Japan.

The talks involving BT, the UK network, Deutsche Telekom and Nippon Telegraph and Telephone (NTT) had seemed on the point of foundering late last year when Mr Iain Vallance, BT chairman, failed to seal a global alliance with his German and Japanese counterparts during an international telecommunications trade fair in Geneva.

BT, however, is now hopeful a deal can be concluded soon involving Deutsche Telekom and NTT taking shares in Syn-

cordia, a BT venture based in Atlanta, Georgia, which it established last year to manage voice, data and video links for multinational companies. BT is hoping to exploit the current trend towards "outsourcing" among large international companies - passing over management of their telecommunications and data communications networks to a third party on a fee basis.

A deal with Syn-

cordia should free a company from the need to negotiate separately with national telecommunications utilities and provide it with a customer services such as maintenance, customer service and billing.

A BT spokesman said the negotiations were "warm", but that no date for concluding the deal had been fixed. "It could be tomorrow or in a few weeks" he said. "There is a strong political element to the discussions".

Deutsche Telekom and NTT are BT's favoured partners, but the spokesman would not confirm that BT expected to retain 48 per cent of the equity in Syn-

cordia while Telekom and NTT would take 25 per cent each. The size of each of the partner's shareholding is still under discussion.

The chief threat to the success of BT's plans to develop Syn-

Secretaries no longer typecast by executives

By Diane Summers, Labour Staff

"TAKE a letter Miss Jones" is becoming a redundant request in many British boardrooms according to a new survey, which claims executives now type their own letters while their secretaries undergo assertiveness training.

Nearly 50 per cent of executives and managers do at least some of their typing, according to the survey of more than 500 companies published today.

The Gordon Yates secretarial recruitment group, which carried out the survey, says the growth in personal computers has eroded job demarcations between bosses and their secretaries.

While busy executives are turning to typing, so their secretaries are gaining a higher profile from "developmental training" courses in assertiveness and communications skills.

Mr Richard Grace, managing director of the Gordon Yates group, says managers "are working in a more team-based way with their secretaries. It's no longer simply 'take a letter Miss Jones'".

Management consultants Reddows and Company, are typical of the companies that have taken a new office administrator, says that for the past 20 months all consultants employed by the company do their own typing.

Younger managers are more likely to consider a PC as simply another consumer gadget, according to Mr David Flint, senior consultant with the Butler Cox Foundation which syndicates information technology research.

Although office duties are being increasingly shared, salary differentials remain firmly in place. The survey says central London secretarial salaries have increased by an average of 5.5 per cent over the past year. The secretary of a chairman or chief executive is likely to earn about £18,000.

Last year the average total pay across all types of executives was £74,647, according to the executive pay index from Noble Lowndes, the management consultancy.

House prices 'remain depressed'

By Andrew Taylor, Construction Correspondent

HOUSE prices in Britain are unlikely to rise until at least 1994 and are expected to fall further this year in many areas of the UK although the number of sales is expected to rise, a new review of the housing market claims today.

UBS Phillips & Drew, the UK stockbroker, forecasts that house sales will rise by 12 per cent this year. Average prices, however, are expected to fall by 2 per cent.

The brokers say a tidal wave of unsold properties will continue to depress prices even

when sales start to recover.

"Over half a million empty houses will be on the market during the course of 1992. This will seek up any increase in demand due to lower interest rates and prevent house price rises," the brokers add.

A straw poll last week of estate agents, housebuilders and mortgage lenders conducted by the Financial Times showed that there had been a sharp increase in interest from would-be house purchasers since the beginning of the year. Very few agents and builders

felt, however, that the improvement, which traditionally occurs after Christmas, would lead to a rise in prices.

Phillips & Drew in its study, *Housing Market Economic time bomb*, says there were at least 222,000 empty unsold homes at the beginning of this year.

The document says rising unemployment, concern that a Labour government would increase taxes and interest rates together with a more cautious lending policy by lenders was continuing to act as a break on the housing market.



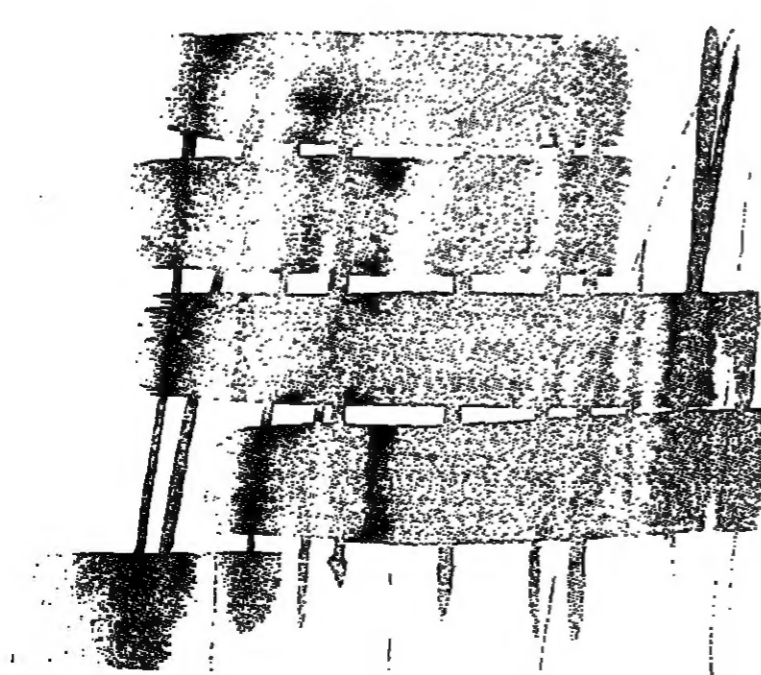
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APPOINTMENTS

Strategic questions for the Pru

Mick Newmarch, chief executive of the PRUDENTIAL, has named Laurel Powers-Freeling, an American who detested her very first job peddling policies for Prudential of America, as the new head of corporate strategy at Britain's biggest insurance company.

Powers-Freeling, at 54 probably the most senior woman at the Pru, will head a team of some 15 strategists. She joined last April at manager level, and has now been made a director reporting directly to Newmarch. She came from Morgan Stanley International - where "I discovered deal-making was not my forte" - following spells specialising in insurance at McKinsey and Price Waterhouse.



The Pru had had a nominal head of strategy before, she says, but her considerably more senior appointment reflects Newmarch's desire to "be much more aggressive with strategy. Mick is committed to a complete re-examination of how we do our business."

The energetic Powers-Freeling, whose promotion coincides with the arrival of her first baby, is shortly returning, after last week's leave, to embark on a four-month review of global strategy.

Newmarch himself, who made his mark on the investment management side, has yet to prove he can make a real success at the helm of the giant retail financial services concern. The big question - and one which is hardly likely to be dealt with in 16 weeks - is how the organisation brings its distribution techniques into the 1990s. Perhaps the woman from the Pru will tell him.

Movements in finance

■ Richard Lawson has retired from GREENWELL MONTAGU where he was chairman. He has recently retired as the first chairman of the Securities and Futures Authority and had worked in the City for 40 years. He is succeeded as chairman of Greenwell Montagu by the current chief executive, Ernest Feston.

■ Adam Cooke is promoted to director of INVESCO MIM Management.

■ Philip Hickman is appointed head of Midland Bank Trust Corporation, based in Jersey.

■ Frederic Le Portin has been

appointed md of FURMAN SEIZ's London office.

■ Ketan Maile is appointed director for finance and credit

director for marketing operations and information services of CONFEDERATION BANK.

■ George Wise is a director of LOMBARD NatWest Commercial Services.

■ Richard Bowen is a director of MATHESON SECURITIES; he moves from Bell Lawrie White.

■ John Wetherall is appointed chief executive of JAMES CAPEL (Channel Islands); he moves from Capital House International Investment Management in Jersey.

■ Jacquie Wallace becomes company secretary of

BIRMINGHAM MIDSHIRES Building Society on the

retirement of Charles Dickie.

■ Noel Bealy has been appointed director of FINANCIERE INDOCHINE.

■ Mary-Ellen Collins is appointed senior vice-president in the special assets division of SECURITY PACIFIC NATIONAL BANK.

■ Brian Ford is appointed md and head of CONTINENTAL BANK's risk management and foreign exchange group.

■ Gerard Lynch is appointed a director of SWISS BANK CORPORATION's equity banking group.

■ Michael Bond is promoted to director and head of emerging markets department of EDINBURGH FUND MANAGERS.

Smyth to help Fiat rev up its dealers

FIAT has appointed Geoff Smyth as operations director of Fiat Auto (UK), its British importer/distributor subsidiary.

Fiat, which includes Lancia and Alfa Romeo, is planning to invest around £100m over the next three years in order to strengthen its UK dealer network and improve its poor market share. Smyth, who was previously Fiat's area director for Scandinavia and Austria based in Turin, will be responsible for managing the dealer networks of the three marques in the UK.

Smyth, 39, has worked his way up through Fiat since joining the company in Ireland in 1979, and has been based in Italy, the Netherlands and Sweden.

There are currently around 300 Fiat dealerships in the UK along with 69 for Alfa Romeo and 58 for Lancia. Although



Fiat is the second largest west European car-maker, in the UK the group has languished far behind its rivals. Smyth says that "it will be my job to ensure that the group's position in the UK more accurately reflects the company's successes in other markets."

■ Alec Murray, managing director of QUICKS Group, the Manchester-headquartered vehicles distributor, is taking the corporate name to heart. Just three months after he moved in, the Quicks board has been reshuffled and a last-making leasing subsidiary, Trafford Vehicle Leasing, closed down.

James Quick, nephew of chairman Norman, and Michael Davis have left their positions as executive directors of the group board to assume responsibility for the group's main operating subsidiary, dealers H & J Quick.

A third group director, James O'royd, has left the group altogether. He is said to have successfully completed "specific tasks for which he was appointed in 1990"; understood to relate to his management of Ford dealerships within the group.

NOTICE OF EARLY REDEMPTION

Metropolitan Estate and Property International N.V.
(the "Company")
US\$ 35,000,000 8% per cent. Convertible Bonds 1996 (the "Bonds")
Guaranteed by
MEPC plc (the "Guarantor")
Conversion Right expiry date: 21st February 1992
Redemption Date: 28th February 1992

Notice is hereby given to the holders (the "Bondholders") of the Bonds constituted by a trust deed dated 5th August 1980 (the "Trust Deed") and made between the Company, the Guarantor and The Law Debenture Corporation p.l.c. (the Trustee), that in accordance with Condition 5 (c) of the Bonds, the Company intends to redeem all the outstanding Bonds on 28th February 1992 ("the Redemption Date"). The Bonds will be redeemed at par together with interest accrued to the Redemption Date. The right of conversion may be exercised in relation to the Bonds (Bonds delivered for conversion should be delivered with all unexercised Coupons appertaining thereto, failing which the Bondholder must pay to the Paying Agent an amount equal to the face value of any missing unexercised Coupons) up to and including but not after the close of business on the fifth business day before the Redemption Date in accordance with Condition 6 of the Bonds.

Payments will be made against surrender of Bonds (Bonds should be presented for payment together with all unexercised Coupons relating thereto, failing which the amount of any missing unexercised Coupons will be deducted from the sum due for payment) at the specified office of any of the Paying Agents. Such payments will be made in New York City in US Dollars or, at the option of the holder, at the specified office of any Paying Agent by transfer to a US Dollar account maintained by the payee with, or by US Dollar cheque drawn on, a bank in New York City, subject in each case to any fiscal or other laws or regulations applicable thereto. Bonds and Coupons will become void unless presented for payment within periods of 10 and 5 years respectively from the Relevant Date as defined by Condition 8 of the Bonds.

AVAILABILITY OF DOCUMENTS

Copies of the Trust Deed may be inspected by Bondholders from the specified office of the Paying Agents given below.

Principal Paying Agent
MORGAN GUARANTY TRUST COMPANY OF NEW YORK
23 Wall Street
New York
N.Y. 10015

PAYING AGENTS

Morgan Guaranty Trust
Company of New York
1 Angel Court
London EC2R 7AE
J.P. Morgan Nederland
Landbouwers N.V.
Taselschadestraat 12
Amsterdam 1054 ET
Morgan Guaranty Trust
Company of New York
35 Avenue des Arts
B-1040 Brussels

Morgan Guaranty Trust
Company of New York
Mainzer Landstrasse 46
6000 Frankfurt-Am-Main
Morgan Guaranty Trust
Company of New York
Stockenstrasse 38
P.O. Box 474
8022 Zurich
Caisse d'Epargne de l'Etat
1 Place de Metz
Luxembourg (L-2954)

Bondholders whose Bonds are held by Euro-clear or CEDEL S.A. should contact the following for information:

Euro-clear: Custody Operations Department (telephone Brussels (322) 519 1211
telex 61025)
CEDEL: Corporate Action Department (telephone Luxembourg (352) 448 821
telex 2791)

This Notice has been approved for the purposes of S.57 of the Financial Services Act 1986 by Cazenove & Co., a member firm of the Securities and Futures Authority and of the London Stock Exchange.

NOTICE OF EARLY REDEMPTION

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(the "Company")
AS 12,500,000 8% per cent. Convertible Bonds 1996 (the "Bonds")
Guaranteed by
MEPC plc (the "Guarantor")
Conversion Right expiry date: 21st February 1992
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Payments will be made against surrender of Bonds (Bonds should be presented for payment together with all unexercised Coupons relating thereto, failing which the Bondholders must pay to the Paying Agent in Australian Dollars an amount equal to the face value of any missing unexercised Coupons) at the specified office of any of the Paying Agents. Such payments will be made in New York City in US Dollars or, at the option of the holder, at the specified office of any Paying Agent by transfer to a US Dollar account maintained by the payee with, or by US Dollar cheque drawn on, a bank in New York City, subject in each case to any fiscal or other laws or regulations applicable thereto. Bonds and Coupons will become void unless presented for payment within periods of 10 and 5 years, respectively, from the Relevant Date as defined by Condition 8 of the Bonds.

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Principal Paying Agent
MORGAN GUARANTY TRUST COMPANY OF NEW YORK
23 Wall Street
New York
N.Y. 10015

PAYING AGENTS

Morgan Guaranty Trust
Company of New York
1 Angel Court
London EC2R 7AE
J.P. Morgan Nederland
Landbouwers N.V.
Taselschadestraat 12
Amsterdam 1054 ET
Morgan Guaranty Trust
Company of New York
35 Avenue des Arts
B-1040 Brussels

Morgan Guaranty Trust
Company of New York
Mainzer Landstrasse 46
6000 Frankfurt-Am-Main
Morgan Guaranty Trust
Company of New York
Stockenstrasse 38
P.O. Box 474
8022 Zurich
Caisse d'Epargne de l'Etat
1 Place de Metz
Luxembourg (L-2954)

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COMPANIES AND FINANCE

Grattan purchase causes problems for Otto Versand

By John Thornhill

OTTO Versand, the German mail order group which last spring bought the Grattan mail order business from Next for £165m, is struggling to make the acquisition work in the face of the recession.

Mail order industry sources suggest the Bradford-based company has been losing agents and market share and is heading for a loss of more than £30m in the current financial year.

At the beginning of the year, Grattan caused ructions with some of its UK suppliers by adopting a far more aggressive approach and unilaterally imposing harsher terms of credit.

Otto is believed to be sourcing an increasing proportion of goods for Grattan from its existing supplier base in Germany.

Grattan also provoked discontent among its workforce this month when it announced that it intended to change bonus payments for 600 of its 4,000 workforce, thereby reducing their weekly income by an average of £20.

This led to a dispute with Usdaw, the shopworkers' union, which will be referred to Acas today.

Grattan will not comment on its trading performance now it

forms part of a private international group. But Mr Norman Finigan, Grattan personnel director, said: "Like the rest of the mail order and high street retailing markets we are finding trading very much more difficult than in previous years."

In the half-year to July 31 1990, Grattan made operating profits of £5.7m.

Mr Finigan added that Otto Versand was operating Grattan on a "very decentralised basis".

"Grattan is making these changes in response to the very difficult trading conditions. It has nothing to do with being owned by Otto Versand," he said.

Otto's rivals in the UK believe that although there may be a period of hiatus while it gets to grips with Grattan the German company will emerge as a formidable competitor in the UK market.

Otto is a highly sophisticated operator and runs the biggest group of mail order companies in the world.

Its preference for direct marketing techniques in contrast to the traditional agency approach is seen by many as being the way forward for the UK mail order industry.

Job cuts and closures at Sun Alliance subsidiary

By Andrew Jack

LEGAL PROTECTION Group, the legal expenses insurer and a subsidiary of Sun Alliance, is to close all of its five regional sales offices and make 57 people redundant out of a total of 400.

The move follows a recent review of the structure of the company and the announcement by Sun Alliance last Friday that it plans to cut 800 jobs across the group as part of a rationalisation programme.

Mr Brian Raincock, who founded the company in 1977, loses his job as group managing director. He will become a consultant to the parent company on terms still to be determined.

Mr Malcolm Gilbert, finance director who will become man-

aging director, said the costs of the reorganisation would be nearly £1m.

He stressed that the company would continue to operate its existing services, including commercial and personal legal expenses and indemnity insurance, and a 24-hour international telephone assistance line.

LPG generated an estimated £12m of income during the 1991 year but failed to make a profit.

Mr Gilbert believed LPG would make a small profit in the current year if the costs of restructuring were excluded.

The company's headquarters in Sutton, Surrey, and administrative offices in Halifax and the City will continue to operate.

Crest Nicholson's £3.8m sale helps reduce gearing

CREST Nicholson, the troubled Surrey-based housebuilding and commercial property development group has made further progress in reducing its gearing by the sale of two commercial properties for £3.8m.

The two properties, retail developments at Angel Place in North and Baxtersgate in Doncaster were sold for £1.98m and £2.5m respectively.

The latest disposals continue the strategy put in place last year after the group recorded a near-£34m loss for the half-year, made provisions totalling £21m against falling property values and saw the departure of Mr Roger Lewis, its chief

executive. Crest's plan to turn assets into cash has been implemented by Mr John Callcut, who replaced Mr Lewis as chief executive.

After disposals totalling almost £50m, Crest's net borrowing has fallen to around £50m, down from a peak level last year of £115m. Gearing is now down to around 45 per cent from a peak of over 80 per cent.

Building analysts expect Crest to report losses of over £50m when the group unveils its preliminary results next month. These are expected to include more provisions against falling property values.

Water wars dominate acquisitions

The international mergers and acquisitions scene was dominated last week by Europe's water wars, writes Brian Bollen. The offer by Swiss food group Nestlé and French bank Indosuez for Source Perrier, the French mineral water company, was the biggest bid of the week by far.

The offer is being interpreted as further confirmation of the arrival of the hostile bid in continental Europe, and as an example of how modern European takeover strategy is evolving, combining Anglo-Saxon opportunism with continental structures, attitudes and regulation. It is also being seen as a setback for the ambitions of Italy's Agnelli family in the European food industry. The family, which is currently bidding for Exor, Perrier's parent company, will apparently not be muddying the waters still further by launching a counter-bid for Perrier.

Elsewhere, UK food and household products group Reckitt & Colman is selling its low-margin US-based Durkee-French spice and seasoning business as part of its strategy of concentrating on higher-margin, branded consumer businesses. Reckitt, which is also to sell its Canadian spice business to Burns Philp of Australia, will use the proceeds to cut debt.

British Petroleum's sale of its Egyptian oil production assets to Spain's Repsol Exploration continues its drive to focus on core exploration areas and withdraw from countries where it has not reached critical mass.

Acquisitive Birmingham-based architectural products group Newman Tonks is continuing its policy of expansion and international diversification by buying Moller & Auster, the Norwegian locks and security systems company.

CROSS BORDER M&A DEALS

| BIDDER/INVESTOR | TARGET | SECTOR | VALUE | COMMENT |
|--|---|--------------------|---------|-----------------------------------|
| Nestlé (Switzerland) | Source Perrier (France) | Soft drinks | £1.38bn | Hostilities commence |
| Repsol Exploration (Spain) | Assets of BP (UK) | Oil | £70m | BP exiting Egypt |
| Burns Philp (Australia) | Durkee-French (US) | Spices | £44m | Reckitt & Colman disposal |
| Kanematsu (Japan)/Goldwin (Japan) | Fischer (Austria) | Sports goods | £7.4m | Jointly buying 51% |
| Newman Tonks (UK) | Moller & Auster (Norway) | Controls | £5.5m | NT continues internationalisation |
| John Brown (UK) | Sechaud & Bossoy (France) | Engineering design | est £5m | Strengthening non-UK operations |
| British Vita (UK) | Norma Boxmeer (Holland)/Sporla (Sweden) | Bedding/fibres | £5m | Combined consideration |
| Y&M (UK) | Gleitlagerwerk Osterweck (Germany) | Bearings | £2m | "Important" strategic move |
| Electrolux Autolite (Sweden)/NSK (Japan) | JV | Car safety | n/a | Air bag supply venture |
| Friends Provident (UK) | Gambi Azzoni Sim (Italy) | Stockbroking | n/a | 20% of new group |

Source: FT Mergers & Acquisitions International

Sir Peter Walker denies any knowledge of MCC scandals

By Andrew Jack

SIR PETER Walker, the former Secretary of State for Wales who resigned from Maxwell Communication Corporation last summer shortly before he was due to become chairman, yesterday stressed that he had no knowledge of the scandals that have since emerged from within the group.

He also said that his resignation followed a request from the Maxwells - which reflected his own recommendations - and was not the result of any confidential information he had gathered on the state of the group's finances.

Sir Peter confirmed that he had been paid £100,000 - his first year's salary under a three-year contract as chairman - and was also allowed to keep the Mercedes saloon valued at more than £30,000 that came with the job and which he had taken in place of his own car.

He said he was offered the job as chairman of MCC at the start of 1991 "much to my surprise" after an informal dinner he held for Kevin Maxwell and his wife at his home. Sir Peter believed Kevin probably wanted to assert his control over MCC.

Sir Peter's conditions were that he could select four non-executive directors and that Mr Robert Maxwell resigned from the main board and all of MCC's subsidiaries. Sir Peter wanted a "totally conventional business with everything disclosed".

"The job did not attract me at first," he said. "But it was quite an exciting challenge to de-Maxwellise a vast publish-



Sir Peter: allowed to keep his company Mercedes

ing house... there was a great intellectual attraction."

He only met the late Mr Maxwell occasionally, and clashed with him on one occasion when he received a letter summoning him to a board meeting to discuss the accounts at just 24 hours' notice. Sir Peter could not attend at such short notice. "I sent him a sharp note back," he said.

During the period since joining the board as a non-executive director on April 2, he spent much of his time travelling to MCC subsidiaries for presentations in the UK and the US.

He concluded that the US companies were "marvellous and well run", but that in the UK there was "nothing of importance", no cash to make acquisitions and little scope for

growth.

"The idea of managing the group from Holborn seemed absolutely crazy," he said. "I said if I were you, I would turn MCC into a totally American group, call it Macmillan and reduce the family equity."

Sir Peter was then told on July 11 last year that Mr Robert Maxwell had decided to take action along these lines. There was therefore little need for him to continue as chairman, and he said he was offered one year's salary and the company car.

He had never seen any figures concerning the MCC pension fund, which did not fall within his responsibility. He attended one meeting with the auditors to approve the 1991 accounts and had no reason to doubt them.

Howden pays £3.4m for two acquisitions

By Tim Coone in Dublin

SHAREHOLDERS in Irish Continental Group, the Dublin-based shipping company, have approved an £18.5m (£7.9m) takeover of B&I Ferries, the loss-making state-run shipping company which operates passenger and cargo services across the Irish Sea.

The acquisition makes ICG the principal ferry operator between Ireland and the UK and the continent. In recommending the deal, the board said: "Because ICG is predomi-

Irish shipping group to acquire B&I Ferries

By Tim Coone in Dublin

nantly a passenger operation, the acquisition will reduce the seasonality of the overall business."

B&I's turnover is divided approximately 40:60 between passenger and cargo revenues. Under the deal, the government is to assume £55m of B&I's debts, while ICG will obtain assets worth £18m.

The government turned down a management buy-out offer by B&I's staff last year in favour of the ICG offer.

Sea Containers called on to 'stop dithering'

WITH THE passing of the three-month standstill agreement between Sea Containers and The Isle of Man Steam Packet Company, Mr Norman Corlett, chairman of the latter company, has written to shareholders, exhorting Sea Containers "to stop dithering and make clear its position".

He said that it was now some 19 months since SeaCon, the cargo equipment and ferry company which currently owns 41 per cent of Steam

Packet, first launched its bid. He added that there had been only limited progress on the extension of trading links and that neither party considered there was a "reasonable prospect of reaching agreement on the major issues in the foreseeable future".

Mr Corlett called on SeaCon to make a bid which reflected fully the value of Steam Packet. In 1990 it offered 115p per share compared with last Friday's close of 200p.

NOTICE OF EARLY REDEMPTION

Sumitomo Metal International Finance
Netherlands B.V.
(the "Company")

¥10,000,000,000
12 per cent Variable Redemption Amount
Guaranteed Notes due 1994

GUARANTEED BY

SUMITOMO METAL INDUSTRIES, LIMITED.

Notice is hereby given that in accordance with Clause 6 (E) of The Terms and Conditions of the above Notes, the Company has elected to redeem all of the outstanding Notes on the next interest payment date 26th February, 1992.

Repayment of principal will be made upon presentation and surrender of the Notes with all unexercised Coupons attached, at the offices of The Paying Agent mentioned hereon.

Accrued interest due on 26th February, 1992 will be paid against presentation of Coupon No. 2.

Sumitomo Metal International Finance
Netherlands B.V.
By: The Sumitomo Bank, Limited
Fiscal and Paying Agent

DOUBLE HEDGE INCOME MANAGEMENT COMPANY OF THE MUTUAL FUND "DOUBLE HEDGE INCOME FUND"

herby informs the shareholders of the Double Hedge Income Fund of the fact that by decision of the Double Hedge Income Management Company and Chase Manhattan Bank Luxembourg SA (in its capacity of Depositary of the Fund), the first paragraph of Article 12 of the Management Regulations of the Fund relating to the Acceptance of Applications is amended so as to read as follows:

"Applications shall be accepted by Management Company on the bank business day of receipt thereof, provided the application shall have been received by the Management Company on or before 10 a.m. (Luxembourg time). Payment of the subscription price shall be made within five bank business days following the acceptance of the application."

and the first paragraph of Article 13 of the Management Regulations of the Fund relating to the Redemption is amended so as to read as follows:

"Shareholders may request the Management Company to repurchase their shares on any bank business day against delivery of their share certificates, if any. Repurchase will be made at the net asset value per share determined on the bank business day on which the request is received, provided such request is received prior to 10 a.m. (Luxembourg time)."

The other provisions of the Management Regulations of the Fund shall remain unchanged.

This change shall be effective as of the first of February 1992.

KRUPPS GROUPE MOULINEX

Strong business activity in 1991

Within a relatively stagnant worldwide economy during the second half-year, the Group's turnover, on a comparable basis, increased by 11.6% in relation to 1990.

| Provisional turnover (in millions of French francs) | including Krupps 1991 | excluding Krupps 1991 1990 | | % |
|--|-----------------------------|---------------------------------------|-------|--------|
| Consolidated turnover | 8,330 | 6,638 | 5,964 | +11.6% |
| Moulinex S.A. turnover | | 5,160 | 4,528 | +14.0% |

For the Moulinex brand, good sales performance was reached in Spain, Portugal, Great Britain, Denmark, Sweden and on the North American and Middle East markets.

For Krups, in spite of the business slump in Germany and America, this brand's major markets, the introduction of new products maintained turnover at the 1990 level.

1991, which saw the integration of Krups, was a good year for the Group worldwide.

Seangyong Cement Industrial Co., Ltd.

(Incorporated in the Republic of Korea with limited liability)

Notice to the Holders of the Outstanding
U.S. \$70,000,000
3 per cent. Convertible
Bonds due 2005
(the "Bonds")

Seangyong Cement Industrial Co., Ltd.
(the "Company")

NOTICE IS HEREBY GIVEN to the holders of the Bonds pursuant to the provisions of the Trust Deed constituting the Bonds that as of 3rd January, 1992, being the Effective Date, the Bonds may lawfully be converted into fully paid and non-assessable shares of common stock of the Company under applicable Korean law. The conversion period in relation to the Bonds shall commence on 27th January, 1992.

27th January, 1992
Seangyong Cement Industrial Co., Ltd.

Profits fall at Exxon, Mobil and Chevron

By Karen Zagor in New York

THE RECESSION'S impact on oil companies was reflected in the fourth-quarter results of Exxon, Mobil and Chevron, which reported sharply lower earnings for the period.

Following Iraq's invasion of Kuwait, crude oil prices rose sharply, making earnings calculations particularly difficult for the three months.

Exxon, the world's biggest oil company, unveiled a 28 per cent drop in fourth-quarter earnings, from \$1.22bn to \$870m, a 12 per cent improvement in net income for the year.

The company blamed the drop in fourth-quarter earnings on exceptionally high prices for the corresponding 1991 quarter after the invasion of Kuwait. The decline also reflected weak gas prices in the US and lower production of liquids and natural gas.

In the latest quarter, Exxon earned \$1.22bn or 89 cents a share against \$870m or 59 cents a share in 1991. Revenues fell 12 per cent to \$30.87bn from \$35.12bn.

Exxon's full-year net income climbed to \$5.6bn or \$4.45 a share from \$5.01bn or \$3.96. Revenues were flat, at \$118.34bn compared with \$118.94bn a year ago.

Mr Lawrence Rawl, chairman, said all the company's earnings growth in the year and 75 per cent of its profits had come from overseas. "The company's foreign refining and marketing operations were well-positioned to respond to rapidly changing market conditions, particularly in the first quarter when essentially all of this year's increase in earnings was achieved."

During the year, crude oil prices fell by \$10-a-barrel, cutting into Exxon's profits. Earnings were also hit by sluggish natural gas prices in the US and weak markets for chemicals, coal and copper.

Mobil, the second biggest US oil and gas group, posted fourth-quarter earnings of \$400m or 97 cents a share, down 36 per cent from 1991's \$620m or \$1.58 a share. Stripping out one-time items, fourth-quarter operating earnings were \$389m, down 51 per cent from \$797m last year.

Mobil's fourth-quarter revenues fell 24 per cent to \$16.63bn from \$21.93bn. Full-year revenues edged 3 per cent lower to \$62.68bn from \$64.47bn.

For the year, Mobil earned \$1.92bn or \$4.05 a share against \$1.93bn or \$4.80. Excluding extraordinary items, earnings for 1991 were \$1.90bn against \$1.92bn last year.

Mr Allen Murray, chairman, said Mobil's operating performance helped offset some of the negative factors in 1991. Chevron, the fourth biggest US oil company, turned in fourth-quarter earnings of \$39m or 11 cents a share, including extraordinary items of \$24m. A year earlier, Chevron earned \$633m or \$1.80 a share, including one-time charges of \$122m.

For the year, Chevron's earnings fell 40 per cent to \$1.29bn or \$3.89 a share from \$2.16bn or \$6.10 in 1991 in spite of strong gains from the company's foreign operations. Chevron attributed the decline to depressed

natural gas prices and downstream margins in the US.

Chevron had fourth-quarter revenues of \$10.38bn, down from \$13.76bn. Total 1991 revenues were \$40.95bn from \$42.57bn.

Mr Michael Young, an analyst at Smith Barney, said the results met his expectations and provided further evidence that the industry would have a very weak first quarter. "Clearly oil companies are at the depths of a recessionary cycle in all of the major segments," namely chemicals, US and foreign oil and gas, and US and foreign refining and marketing.

These sentiments were echoed by Mr Murray who said: "Unfortunately, 1992 is not off to a good start. There has been no improvement in business conditions. Crude oil prices have remained weak, as have US natural gas prices which are below last year's level, and US downstream margins are very weak."

Mr Young said he had not changed his earnings estimates for Mobil, Exxon or Chevron. He expects Mobil to earn 80 cents a share in the 1992 first quarter, and \$4.15 a share for the full year. He expects Exxon to earn 85 cents in the first quarter and \$3.90 for the year and Chevron 60 cents in the quarter and \$2.90 in the year.

Imperial Oil, 70 per cent owned by Exxon, and Canada's biggest integrated oil company, is following Petro-Canada and Shell Canada with heavy cuts in downstream operations.

Robert Gibbons reports from Montreal.

Imperial posted a 1991 operating loss of C\$36m (US\$31m) on revenues of C\$9.2m against profits of C\$622m on revenues of C\$11.3m in 1990. But after gains on asset sales and accounting adjustments, net profits were C\$162m or 94 cents a share against C\$254m or C\$1.34 a share.

Imperial will probably close two small refineries and several hundred retail petrol outlets. Staff will be cut from the present 11,500. Details will be released next month.

Macy's close to filing for Chapter 11 protection

By Martin Dickson in New York

R.H. MACY, the New York-based department store chain, is widely expected to file for Chapter 11 bankruptcy protection against its creditors over the next few days, possibly as early as this morning.

The collapse on Friday night of a last-minute bail-out by Mr Laurence Tisch and his Loews Corporation appears to leave the heavily-indebted company with no way of escaping a bankruptcy filing.

Macy's, which was taken private in a 1986 leveraged buy-out and is struggling with \$3.5bn of debt and trading losses, declined to comment over the weekend. However, its officials were believed to be closeted with financial advisers discussing the mechanics of a bankruptcy filing.

Mr Tisch, whose interests range from the CBS media group to insurance and property, offered to inject \$1bn of cash into Macy's. Loews would have paid \$740m for the group's publicly traded bonds and \$60m for virtually all the equity. It would have used between \$200m and \$300m to pay off Macy's suppliers.

The deal collapsed when Prudential Insurance refused to grant better terms to Mr Tisch on the \$911m mortgage it holds on 70 Macy's stores, about half the chain's outlets.

Mr Tisch apparently asked for a cut in interest on the loan from 12 per cent to 9 per cent. Mr Frank McDougal, president of Prudential Mortgage Capital, told the New York Times that "we had many discussions with the Tisch organisation and we were willing to bend and compromise to a certain point, and beyond that it would not have been prudent for us."

A Chapter 11 filing could help the group because it would remove the uncertainty that has surrounded its finances since early this month, when it deferred payments due to trade suppliers in the hope of meeting the provisions of its revolving credit agreement with banks.

Suppliers have since been holding back fresh shipments of goods to Macy's stores.

Toyota plans to buy minority stake in French distributor

By Kevin Dons, Motor Industry Correspondent

TOYOTA, the leading Japanese car maker, is planning to buy a minority stake of about 35 per cent in Toyota France, its privately-owned French importer and distributor.

The move follows the acquisition last year by Nissan, the second largest Japanese car maker, of an additional 72.1 per cent stake in Richard Nissan, its French importer/distributor, raising its holding to 81.6 per cent.

The leading Japanese car makers are strengthening control of their distributors in Europe in preparation for the creation of the single European market from the end of 1992. Tighter control will also help them cope with the growing supply of cars from their European assembly plants during the 1990s.

Toyota's first European car plant, located at Burnaston near Derby in the UK, begins production in late 1992, as does Honda's car plant at Swindon. Nissan's plant at Sunderland in north-east England, which began production in 1988, is expected to raise car output to 175,000 this year and to 270,000 in 1993.

Toyota France is currently 86.5 per cent owned by Walter Frey Holding of Switzerland, the holding company for the Emil Frey motor distributor and motor retailing group.

Mr Walter Frey, chairman of the family-owned company, said that Toyota had received permission in December from the French authorities to take a substantial minority stake in Toyota France.

The timing of the acquisition and the price were still to be negotiated. The Emil Frey

group would remain the Toyota importer/distributor in Switzerland.

Toyota already owns Toyota Deutschland and Toyota Italia, its German and Italian importer/distributors. It has also acquired a 5 per cent stake in Toyota GB, its UK distributor, which it will raise in stages to 51 per cent by 1996.

Nissan took control of its importer/distributor operations in the UK with effect from the beginning of 1992.

Toyota last year sold 16,831 cars in France, filling its 0.78 per cent quota of the market.

France maintains a 3 per cent market share quota on direct vehicle imports from Japan and has limited the Japanese presence to five car makers, Nissan, Toyota, Mazda, Honda and Mitsubishi Motors.

Toyota yesterday strongly denied reports in France that it had made a deal with the French authorities to accept special restrictions on its sales after the end of 1992 in return for French government approval of its plan to take a stake in Toyota France.

Moody's Investors Service, the US rating agency, is reviewing the credit of Nissan Motor in Japan and several units of the automobile maker for possible downgrading. AP-DJ reports from Tokyo.

The review of the Single-A One rating of Nissan's senior credit affects \$18bn of debt. Moody's cited Nissan's "disappointing business performance, especially in its intensely competitive home market" and concern about the impact on cashflow of plans for heavy investment in plant and equipment.

American Brands advances

AMERICAN BRANDS, the Connecticut-based tobacco and consumer products company, reports after-tax profits of \$16.6m in the fourth quarter of 1991, thanks to strong performance from the tobacco and drink businesses as well as hardware and home improvements interests, writes Nikki Tait in New York.

The figure compares with a \$7.1m net profit earned in the same period a year earlier, but that was depressed by certain non-operating charges. At the operating profit level, American Brands made \$44.2m in the final quarter of 1991, against \$39.9m in the fourth quarter of 1990.

The results leave the consumer products group posting a \$806.1m net profit for the year, up from \$588.6m in 1990. The shares rose \$1 to \$46 on the news.

American Brands said that the underlying sales and operating profit increase in the tobacco business was 5 per cent, once the sale of a Dutch business was excluded. Operating profits here totalled \$1.86m.

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Nordic area bank set to be formed

By Robert Taylor in Stockholm

A NEW savings bank in Sweden is to be created which will be the largest in the Nordic region. The go-ahead for the plan was given at the weekend by the board of Sweden's Sparbankergruppen, the holding company for 10 regional savings banks along with Furstia Sparbanken.

Full details of the proposed new savings bank will be announced today. It is to be called Sparbanken Sverige and have total assets of 387,000bn (US\$366bn). With 14,000 employees and around 800 offices across Sweden, the bank will cover 90 per cent of existing savings bank activity in the country.

A special shareholders' meeting of Sparbankergruppen will be held on March 3 to approve the proposed new savings bank which it is intended will be eventually listed on the stock market.

HK speeds legislation on paperless trading

By Simon Holberton in Hong Kong

HONG KONG took a further step towards paperless share trading with the government's decision to bring forward legislation to enable the creation of a central stock clearing and settlements system.

Mr David Nendick, secretary for monetary affairs, said the legislation would be introduced next month. Legislation is needed to insulate the new system from Hong Kong's existing insolvency laws - thereby guaranteeing the integrity of the netting and settlement operations of the system.

The share trading and settlements system, which the Hong Kong Securities Clearing Company (HKSCC) will operate, works on the basis of continuous netting of transactions.

Under current law, if a broker were declared insolvent the receiver could unwind transactions up to six months previous to the insolvency. The change will prevent this and give the HKSCC first charge over securities to be settled.

Hong Kong's new trading system was due to be operational by late 1991, but as with London's attempt to introduce Taurus, Hong Kong has faced technological and institutional problems. Mr Nendick said the system should be operational by the end of this year.

Questions, however, still dog the HKSCC - 60 per cent owned by the Hong Kong Stock Exchange, and 10 per cent each by five banks - concerning risk management and the governance of the company.

It is planned that a fund of HK\$200m will be established to guarantee settlement of share trades in the event of broker default. Some brokers feel this is insufficient to protect against possible default.

Before the system becomes operational the company has to satisfy the Securities and Futures Exchange, Hong Kong's financial watchdog, that there is adequate representation on its board to safeguard the public interest.

CS First Boston appointment

MR Robert Diamond, a senior executive in London for Morgan Stanley, has joined First US investment bank CS First Boston as chief executive of its Far Eastern activities, writes Martin Dickson in New York.

Mr Allen Wheat, 43, who has headed the Pacific operations for the past two years, as well as running the firm's derivatives products business, Credit Suisse Financial Products, will

now concentrate on the latter and also take on responsibility for the bank's worldwide foreign exchange business.

Mr Wheat, who will be based in London, said both businesses had been growing so fast they needed separate chief executives. Mr Diamond, 40, was previously head of fixed income securities trading for Morgan Stanley in London.

Gencor Limited

(Incorporated in the Republic of South Africa)
(Registration number 0101232061)
("Gencor")

TERMS OF THE RIGHTS OFFERS

Further to the announcement on Tuesday, 21 January 1992, Senbank is authorised to announce, subject to the conditions set out hereunder, that:

- Gencor will raise R1,999 million by way of a rights offer of 199,949,913 new Gencor ordinary shares at 1,000 cents (in the currency of the Republic of South Africa) per share to the holders of Gencor ordinary shares, registered as such at the close of business on Friday, 31 January 1992, on the basis of 17 new Gencor ordinary shares for every 100 ordinary shares held in Gencor at that date.
- Gencor Beherend will raise R1,145 million by way of a rights offer of 127,196,060 new Gencor Beherend ordinary shares at 900 cents per share to the holders of Gencor Beherend ordinary shares, registered as such at the close of business on Friday, 31 January 1992, on the basis of 18 new Gencor Beherend ordinary shares for every 100 ordinary shares held in Gencor Beherend at that date.

The rights offers are subject to:

- The Johannesburg Stock Exchange ("the JSE") granting a listing of the renounceable (all paid) letters of allocation and the new ordinary shares in Gencor Beherend and Gencor to be issued in terms of their respective rights offers; and
- The London Stock Exchange ("the LSE") granting admission to the Official List of the new ordinary shares in Gencor to be issued in terms of its rights offer.

Gencor Beherend and its wholly owned subsidiaries, the controlling shareholders of Gencor, have undertaken to follow and/or to procure the subscription of their rights entitlement to 109,582,125 new Gencor ordinary shares (approximately R1,095 million) pursuant to Gencor's rights offer. Gencor Beherend will underwrite the Gencor rights offer.

South African National Life Assurance Company ("Sanlam") and companies under its control, the controlling shareholders of Gencor Beherend, have undertaken to follow and/or to procure the subscription of their rights entitlement to 69,613,937 new Gencor Beherend ordinary shares (approximately R627 million) pursuant to Gencor Beherend's rights offer. Sanlami Beherend (Economic) Bepkor, ultimately a wholly owned subsidiary of Sanlam, will underwrite the Gencor Beherend rights offer.

The rights offer circulars, which will include the renounceable (all paid) letters of allocation, will, subject to the approval of the JSE and, where applicable, the LSE, be sent to the relevant ordinary shareholders of Gencor and Gencor Beherend on Friday, 7 February 1992.

Johannesburg
27 January 1992

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Floating rate debentures,
series 10, due 1998

(Subordinated to deposits and other liabilities)
Interest rate for the period 27 January 1992 to 27 July 1992 has been fixed at 4.30% per annum. The amount payable on 27 July 1992 will be US\$217.39 against coupon No. 12.

250,000 Floor
Certificates due 1998

The differential interest rate for the above payment period has been fixed at 1.75% per annum. Interest payable on 27 July 1992 per US\$1,000 note will amount to US\$8.85

Agent: Morgan Guaranty Trust Company
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£300,000,000
Floating rate notes 1994

For the three months 24 January 1992 to 24 April 1992 the notes will bear interest at 10.7675% per annum. Interest payable on the relevant interest payment date 24 April 1992 will amount to \$133.86 per \$5,000 note and \$2,677.17 per \$100,000 note.

Agent: Morgan Guaranty Trust Company
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Redemption as per March 31, 1992

According to § 6 of the Terms and Conditions of the Notes all Notes will be redeemed at par on March 31, 1992.

The Notes will be paid at:

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- Commerzbank Aktiengesellschaft, London
- Commerzbank Aktiengesellschaft, Brussels
- Commerzbank International S.A., Luxembourg
- Commerzbank (Switzerland) Ltd, Zurich

The Notes shall cease to bear interest as per March 30, 1992. The coupon as per March 31, 1992 will be paid separately.

Curaçao, January 1992 Commerzbank Overseas Finance N.V.



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MORGAN STANLEY

January 27, 1992

A member of The Securities and Futures Authority.

INTERNATIONAL CAPITAL MARKETS

UK GILTS

Tremors over cornucopia of issues

IN A quiet week for the gilt market, the focus switched to what is in store for investors in the financial year beginning in April. There will be a cornucopia of new bond issues to pay for the looming deficit on UK public spending - a fact that is starting to send tremors around the market.

The nervousness about the effects of a big supply of gilts restrained the general downward pressure on bond yields. Sharply higher bond issues to finance the estimated £24bn public-sector borrowing requirement in 1992-1993 are likely to lead to an over-supply of the instruments, depressing prices and raising yields.

Last week, gilt yields edged down slightly, with short-dated instruments performing better than those above 10 years.

On Friday night the yield of the benchmark Treasury 9 per cent bond maturing in 2008 was quoted at 9.23 per cent, while the shorter-dated Treasury 10 per cent stock maturing in 1994 was 9.53 per cent.

Yields for short-dated securities showed a relatively large fall of up to 20 basis points on the week. This was due to theories that the firmer pound might prompt a cut in base rates, now at 10.5 per cent.

The pressures on funding will be underlined this Wednesday, when the Bank of England is to auction £1.8bn of

9 1/2 per cent Treasury stock, maturing in 2002. The Bank's announcement last week about the volume of stock surprised some market participants, and caused some easing in prices across the yield curve. The largest issue in a run of five similar events in 1991 was restricted to £1.5bn.

On Friday the Bank said it would issue a tranche of index-linked gilts worth £300m. The instruments are in two separate issues, each worth £150m, with the bonds concerned being the 2 1/2 per cent stocks due 2001 and 2008. Issue prices will be certified later by the government broker.

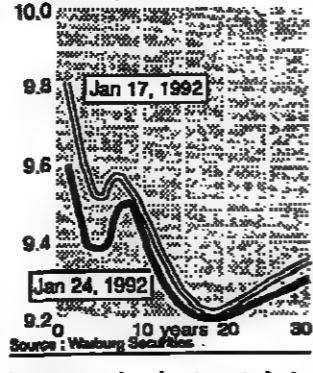
Assuming the auction and the sales of index-linked gilts go smoothly, it appears that the Bank will have issued virtually all the stock it requires to finance the 1991-1992 PSBR, which many economists believe will be about £13bn.

There may even be a small amount of over-funding - money that can be held over to the next financial year. This could be extremely useful for the Bank and the Treasury, for in 1992-1993 funding pressures are likely to be even greater.

The deficit is likely to soar due to higher spending on unemployment and other aspects of social security linked with the recession. Mr Norman Lamont, the chancellor,

UK gilts yields

Rebased at per (%)



Source: Westbury Securities

may also be tempted, in the March Budget, to push up levels of government spending in discretionary areas such as transport, while at the same time government tax income is falling below estimates.

All this may mean total gilt funding - allowing for repayments on maturing debts - approaches £30bn for 1992-1993, roughly twice the level in 1991-1992.

Coming so soon after a period of minimal gilt issues - the government ran a small public spending surplus in 1990-1991 - the large issues are giving market managers at the Bank a few headaches.

They will have to arrange a programme of funding that is flexible enough to meet the

needs of gilt investors, at the same time as maximising the potential for selling the bonds at high prices. The Bank may settle for a programme of auctions roughly every two months - at which £2bn to £3bn of the securities are on sale each time - supplemented by a tranche of smaller debt issues periodically.

All the signs are that the funding programme ahead will restrain any gilt price rise generally good economic conditions for bonds.

The subdued state of UK inflationary pressures, a factor helpful for bond prices, was underlined last week with news of a 1.3 per cent fall in manufacturing output in the three months to November compared with the previous three-month period.

This pointed towards flat or negative output for the UK as a whole - excluding North Sea oil and gas production - for the final quarter of 1991. If this turns out to be the case, the recession will have lasted for six quarters, making it the longest UK recession since the Second World War.

With little sign of a recovery, inflation will be one of the few aspects of the UK economy that policymakers will not need to worry about during the next few months.

Peter Marsh

US MONEY AND CREDIT

Treasuries fall ahead of Bush speech

THE COMBINED might of President Bush and America's corporate treasurers has Wall Street's credit markets unsettled as the US enters a week of great political importance.

Tomorrow Mr Bush delivers the President's annual state of the union address and will outline a package of measures to get the US economy moving again. There are fears in some sections of the credit markets that the resulting fiscal stimulus could boost inflation, and this has helped push Treasury bond prices down over the past week.

Corporate treasurers, meanwhile, have continued over the past week with the avalanche of fixed income and equity new issues which hit the market at the start of the year. Since dealers often have to sell government securities to cover their positions in unsold corporate issues, this too has been exerting downward pressure on government bond prices.

Add in nervousness over the weekend meeting in New York of G7 nations, and the result last week was a 1 1/2 drop in the price of the benchmark 30-year Treasury issue, taking its yield back up to 7.71 per cent, compared to 7.61 a week ago and 7.51 four weeks ago.

Long rates are back up again where they were in mid-December, before the Federal Reserve set in train a powerful rally with its one-point cut in the discount rate on December 20. Is this a temporary upward blip, as most Wall Street analysts seem to believe, or are long rates now past

US MONEY MARKET RATES (%)

| | 1 wk | 1 mo | 3 mo | 6 mo | 12 mo |
|----------------------------|------|------|------|-------|-------|
| Fed Funds (weekly average) | 1.00 | 2.00 | 4.00 | 11.00 | 2.00 |
| Three-month Treasury bill | 3.00 | 4.00 | 4.00 | 7.00 | 1.00 |
| Three-month Treasury note | 4.10 | 4.10 | 4.10 | 7.00 | 1.00 |
| Three-month Treasury bond | 4.10 | 4.10 | 4.10 | 7.00 | 1.00 |
| Three-month Treasury bill | 4.10 | 4.10 | 4.10 | 7.00 | 1.00 |
| Three-month Treasury note | 4.10 | 4.10 | 4.10 | 7.00 | 1.00 |
| Three-month Treasury bond | 4.10 | 4.10 | 4.10 | 7.00 | 1.00 |
| Three-month Treasury bill | 4.10 | 4.10 | 4.10 | 7.00 | 1.00 |
| Three-month Treasury note | 4.10 | 4.10 | 4.10 | 7.00 | 1.00 |
| Three-month Treasury bond | 4.10 | 4.10 | 4.10 | 7.00 | 1.00 |

US BOND PRICES AND YIELDS (%)

| | 1 wk | 1 mo | 3 mo | 6 mo | 12 mo |
|---------------------|---------|---------|---------|---------|---------|
| Seven-year Treasury | 97 1/2 | 97 1/2 | 97 1/2 | 97 1/2 | 97 1/2 |
| 10-year Treasury | 103 1/2 | 103 1/2 | 103 1/2 | 103 1/2 | 103 1/2 |
| 30-year Treasury | 103 1/2 | 103 1/2 | 103 1/2 | 103 1/2 | 103 1/2 |

Money supply: In the week ended January 13, M1 rose by \$11.2bn to \$803.5bn.

their trough for this economic cycle?

Certainly, a slew of recent statistics suggesting the economy is more or less "dead in the water" does not give the bond market too much to fear from inflation. In the short-term, the Fed's latest "beige book" of regional economic activity, released this week, described economic activity at the turn of the year as "lackluster".

That said, the past week has brought some signs of stirring in the housing market, which tends to be an important leading indicator. Housing starts were up 2.6 per cent in December, greater than expected, albeit from a low base.

Banks, meanwhile, have reported a rush of homeowners wanting to remortgage properties at the lowest interest rates in years. That should eventually work through into greater consumer confidence and disposable income, giving a fir-

ther filip to the housing market and the wider economy.

In short, the groundwork appears to be being laid for a gradual recovery which could start to gather momentum around the middle of the year. But the weakness of the recovery and the historic tendency for inflation to continue moderating in the early stages of a rebound, suggests that price pressures may remain weak for months to come.

Nor will President Bush's economic package necessarily have the negative impact on inflation that the market fears. Inspired leaks over the past few weeks suggest it is unlikely to add to the budget deficit and will favour investment rather than consumption - though over the coming months Congress may try to change that balance.

The Fed's December easing move has certainly helped reduce the head of political

steam for dramatic fiscal action, but where does all this now leave Fed policy?

The line from the Fed over the past two weeks has been that the economy is starting a recovery that will be seen by the spring. Mr Gerald Corrigan, president of the New York Fed, argued this week that he saw "potential for a strong economic recovery which may surprise us all".

So the bank might yet hold off the further 25 basis point easing in the Fed funds rate that much of Wall Street expects in the first half of February - after the Fed's policy-making Open Market Committee meeting at the start of the month and chairman Alan Greenspan's Humphrey-Hawkins testimony to Congress.

The market's growing sense that the Fed may not ease again in the near future was given added force last Thursday, when surprisingly strong money supply growth figures were released for the week ending January 13. These, however, may simply be a seasonal aberration, since the underlying growth of M2 has been weak for months.

All this helps explain the current rush of corporate bonds. Even if the Fed does ease again, the effect will be much more powerful at the short end. The long end has too much to worry about. Long rates cannot be far from it, making this a very attractive time to lock in fresh funding.

Martin Dickson

FRENCH BONDS

Stability defies convention after rate rises

CONVENTIONAL wisdom suggests that two rises in official interest rates in little more than a month should not be good news for bonds.

But conventions have little or nothing to do with modern markets where investors are influenced as much by the international environment as by the exigencies of individual economies. Hence the French bond market has remained surprisingly stable so far this year, despite France's recent round of rate rises.

"It's all emotion," said Mr Christopher Potta, market strategist at Banque Indosuez in Paris. "Anyone with any sense knows that French interest rates cannot come down until the German rate falls in a few months' time. But investors are looking at the interna-

tional rather than the domestic context, and France now seems much more attractive than the US, Canada or Australia."

As a result French bonds, like their German counterparts, have been buoyed by the switch of international investment into Europe. Rates on the benchmark 10-year OAT government bond rose to 8.45 per cent on Friday, from a cyclical low of 8.36 per cent on Wednesday. This compares to levels of 8.75 a month ago. The Matif's 10-year notional OAT futures contract was stable beginning the week at 106.72 and ending it at 106.66, against 106 at the end of last year.

One encouraging sign for the French market was that the spread over German bonds has been falling. The bond differential is now seen as a critical

indicator of the French market's health given that France's currency and now its interest rates are effectively tied to those of Germany.

The trend before the Maastricht summit was for the bond differential to widen. Since then the spread has narrowed. The differential peaked at 70 basis points in early November, slipped to 60 or 65 by mid-December and had fallen to around 50 basis points last week. Most analysts expect the spread to fall further.

Meanwhile, the prospects for the French economy are more clouded than ever.

Official forecasts for gross domestic product have growth of 1.4 per cent in 1991 followed by growth of between 2 and 3.3 per cent in 1992. Goldman Sachs, like most other forecast-

ers, is more cautious, favouring growth of just 1 per cent to 2 per cent for this year.

Last week's announcement that industrial production fell by 0.5 per cent in November compared with October highlighted the mood of "Franco-pessimism" as Mr Pierre Bérégovoy, the French finance minister, calls it.

Yet the French can seek solace in low inflation. The December inflation figures disclosed an increase of 0.1 per cent, producing a total of 3.1 per cent for 1991, this represents a fall from 3.4 per cent in 1990. Rising unemployment suggests inflation should stay low for the foreseeable future - just the way the bond markets like it.

Alice Rawsthorn

This announcement appears as a matter of record only

January 1992



£70,000,000
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for
Norwest Holst Holdings Limited
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Arranged by
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|------------------------------------|---------------|------------|-------|--------|-------|--------|---------|--------|-------|
| Country | Instrument | Face Value | Yield | Price | Yield | Price | Yield | Price | Yield |
| USA | US Govt 10yr | 100 | 7.50 | 100.00 | 7.50 | 100.00 | 7.50 | 100.00 | 7.50 |
| USA | US Govt 5yr | 100 | 7.00 | 100.00 | 7.00 | 100.00 | 7.00 | 100.00 | 7.00 |
| USA | US Govt 3yr | 100 | 6.50 | 100.00 | 6.50 | 100.00 | 6.50 | 100.00 | 6.50 |
| USA | US Govt 1yr | 100 | 6.00 | 100.00 | 6.00 | 100.00 | 6.00 | 100.00 | 6.00 |
| USA | US Govt 6mo | 100 | 5.50 | 100.00 | 5.50 | 100.00 | 5.50 | 100.00 | 5.50 |
| USA | US Govt 3mo | 100 | 5.00 | 100.00 | 5.00 | 100.00 | 5.00 | 100.00 | 5.00 |
| USA | US Govt 15yr | 100 | 8.00 | 100.00 | 8.00 | 100.00 | 8.00 | 100.00 | 8.00 |
| USA | US Govt 20yr | 100 | 8.50 | 100.00 | 8.50 | 100.00 | 8.50 | 100.00 | 8.50 |
| USA | US Govt 25yr | 100 | 9.00 | 100.00 | 9.00 | 100.00 | 9.00 | 100.00 | 9.00 |
| USA | US Govt 30yr | 100 | 9.50 | 100.00 | 9.50 | 100.00 | 9.50 | 100.00 | 9.50 |
| USA | US Govt 35yr | 100 | 10.00 | 100.00 | 10.00 | 100.00 | 10.00 | 100.00 | 10.00 |
| USA | US Govt 40yr | 100 | 10.50 | 100.00 | 10.50 | 100.00 | 10.50 | 100.00 | 10.50 |
| USA | US Govt 45yr | 100 | 11.00 | 100.00 | 11.00 | 100.00 | 11.00 | 100.00 | 11.00 |
| USA | US Govt 50yr | 100 | 11.50 | 100.00 | 11.50 | 100.00 | 11.50 | 100.00 | 11.50 |
| USA | US Govt 55yr | 100 | 12.00 | 100.00 | 12.00 | 100.00 | 12.00 | 100.00 | 12.00 |
| USA | US Govt 60yr | 100 | 12.50 | 100.00 | 12.50 | 100.00 | 12.50 | 100.00 | 12.50 |
| USA | US Govt 65yr | 100 | 13.00 | 100.00 | 13.00 | 100.00 | 13.00 | 100.00 | 13.00 |
| USA | US Govt 70yr | 100 | 13.50 | 100.00 | 13.50 | 100.00 | 13.50 | 100.00 | 13.50 |
| USA | US Govt 75yr | 100 | 14.00 | 100.00 | 14.00 | 100.00 | 14.00 | 100.00 | 14.00 |
| USA | US Govt 80yr | 100 | 14.50 | 100.00 | 14.50 | 100.00 | 14.50 | 100.00 | 14.50 |
| USA | US Govt 85yr | 100 | 15.00 | 100.00 | 15.00 | 100.00 | 15.00 | 100.00 | 15.00 |
| USA | US Govt 90yr | 100 | 15.50 | 100.00 | 15.50 | 100.00 | 15.50 | 100.00 | 15.50 |
| USA | US Govt 95yr | 100 | 16.00 | 100.00 | 16.00 | 100.00 | 16.00 | 100.00 | 16.00 |
| USA | US Govt 100yr | 100 | 16.50 | 100.00 | 16.50 | 100.00 | 16.50 | 100.00 | 16.50 |
| USA | US Govt 105yr | 100 | 17.00 | 100.00 | 17.00 | 100.00 | 17.00 | 100.00 | 17.00 |
| USA | US Govt 110yr | 100 | 17.50 | 100.00 | 17.50 | 100.00 | 17.50 | 100.00 | 17.50 |
| USA | US Govt 115yr | 100 | 18.00 | 100.00 | 18.00 | 100.00 | 18.00 | 100.00 | 18.00 |
| USA | US Govt 120yr | 100 | 18.50 | 100.00 | 18.50 | 100.00 | 18.50 | 100.00 | 18.50 |
| USA | US Govt 125yr | 100 | 19.00 | 100.00 | 19.00 | 100.00 | 19.00 | 100.00 | 19.00 |
| USA | US Govt 130yr | 100 | 19.50 | 100.00 | 19.50 | 100.00 | 19.50 | 100.00 | 19.50 |
| USA | US Govt 135yr | 100 | 20.00 | 100.00 | 20.00 | 100.00 | 20.00 | 100.00 | 20.00 |
| USA | US Govt 140yr | 100 | 20.50 | 100.00 | 20.50 | 100.00 | 20.50 | 100.00 | 20.50 |
| USA | US Govt 145yr | 100 | 21.00 | 100.00 | 21.00 | 100.00 | 21.00 | 100.00 | 21.00 |
| USA | US Govt 150yr | 100 | 21.50 | 100.00 | 21.50 | 100.00 | 21.50 | 100.00 | 21.50 |
| USA | US Govt 155yr | 100 | 22.00 | 100.00 | 22.00 | 100.00 | 22.00 | 100.00 | 22.00 |
| USA | US Govt 160yr | 100 | 22.50 | 100.00 | 22.50 | 100.00 | 22.50 | 100.00 | 22.50 |
| USA | US Govt 165yr | 100 | 23.00 | 100.00 | 23.00 | 100.00 | 23.00 | 100.00 | 23.00 |
| USA | US Govt 170yr | 100 | 23.50 | 100.00 | 23.50 | 100.00 | 23.50 | 100.00 | 23.50 |
| USA | US Govt 175yr | 100 | 24.00 | 100.00 | 24.00 | 100.00 | 24.00 | 100.00 | 24.00 |
| USA | US Govt 180yr | 100 | 24.50 | 100.00 | 24.50 | 100.00 | 24.50 | 100.00 | 24.50 |
| USA | US Govt 185yr | 100 | 25.00 | 100.00 | 25.00 | 100.00 | 25.00 | 100.00 | 25.00 |
| USA | US Govt 190yr | 100 | 25.50 | 100.00 | 25.50 | 100.00 | 25.50 | 100.00 | 25.50 |
| USA | US Govt 195yr | 100 | 26.00 | 100.00 | 26.00 | 100.00 | 26.00 | 100.00 | 26.00 |
| USA | US Govt 200yr | 100 | 26.50 | 100.00 | 26.50 | 100.00 | 26.50 | 100.00 | 26.50 |
| USA | US Govt 205yr | 100 | 27.00 | 100.00 | 27.00 | 100.00 | 27.00 | 100.00 | 27.00 |
| USA | US Govt 210yr | 100 | 27.50 | 100.00 | 27.50 | 100.00 | 27.50 | 100.00 | 27.50 |
| USA | US Govt 215yr | 100 | 28.00 | 100.00 | 28.00 | 100.00 | 28.00 | 100.00 | 28.00 |
| USA | US Govt 220yr | 100 | 28.50 | 100.00 | 28.50 | 100.00 | 28.50 | 100.00 | 28.50 |
| USA | US Govt 225yr | 100 | 29.00 | 100.00 | 29.00 | 100.00 | 29.00 | 100.00 | 29.00 |
| USA | US Govt 230yr | 100 | 29.50 | 100.00 | 29.50 | 100.00 | 29.50 | 100.00 | 29.50 |
| USA | US Govt 235yr | 100 | 30.00 | 100.00 | 30.00 | 100.00 | 30.00</ | | |

INTERNATIONAL CAPITAL MARKETS

SYNDICATED LOANS

Borrowing costs set to rise at Rosehaugh

THE RESTRUCTURING of loans to Rosehaugh, the heavily indebted UK property company, and its property joint ventures, looks likely to result in higher borrowing costs for these companies.

The restructuring of all of Rosehaugh's debts is due to be completed within a few weeks. As a result, Rosehaugh is expected to have to pay higher margins on its loans, and to have the maturity of these loans extended. Bankers may insist on improving the security on these loans currently weighted on partly secured Rosehaugh and Stanhope, joint owners of the Broadgate office complex in the City of London, called a halt to their merger talks last week after several months of discussions.

According to data supplied by Rosehaugh, the company has the following debts:

- A four-year £250m term loan for Rosehaugh Stanhope Developments (phase 5) and Rosehaugh Stanhope Developments (phase 11) which matures in 1992 and has a margin of 100 basis points over the London interbank offered rate (Libor).
- A three-and-a-half year £26m term loan for Rosehaugh SC, a 50-50 joint venture between Rosehaugh and Shimizu Corp. The loan matures in 1992. The funds are secured on the property with the margin set according to whether the property is pre-let or pre-sold.
- A five-year £100m multiple facility revolving credit for Rosehaugh which matures in 1995 and has a margin of 15 basis points over Libor.
- A four-year £50m term loan for Rosehaugh Stanhope (Bancor phase 14) maturing in 1993. This carries a margin

of 125 basis points over Libor during development, 75 during the let stage and 50 during the pre-sold stage with the funds secured.

• A four-year £200m term loan maturing 1994 for Rosehaugh Stanhope Developments (Hobborn Viaduct) with a margin of 125 basis points falling to 100 basis points over Libor if the property is let.

In addition, Rosehaugh and its joint venture companies have some bilateral loans. Rosehaugh warned its bankers in November 1991 that it was in danger of breaching the net worth covenants on its loans, due to the fall in property prices and the decline in its net asset value. Since then, Barclays and NatWest, joint co-ordinators for the various loans, have held discussions with the 27 banks involved on how to restructure all the company's facilities.

So far it looks as though the pricing will have to be increased given that when the loans were originally launched, pricing was considerably lower than at present. The maturity of the loans may be extended, since at present the loans fall due in 1992, 1993 and 1994. Citibank has arranged a \$50m five-year revolving credit facility for Laura Ashley with a core group of seven relationship banks. This replaces an existing three-year \$20m facility signed in November 1990. Laura Ashley wanted to replace it with longer-term funding. The margin is linked to the company's financial performance. It ranges from 75 basis points over Libor to 125 depending on the interest cover ratio.

Sara Webb

EUROMARKET TURNOVER (\$bn)

| | Primary Market | Secondary Market |
|--------------------|----------------|------------------|
| Fixed Income Bonds | 2,721.8 | 1,285.1 |
| Equity | 1,081.1 | 85,073.7 |
| Convertible | 0.0 | 1,218.4 |
| Money market | 100.0 | 18.3 |
| CDs | 193.4 | 167.3 |
| Short & MT Notes | 18,448.9 | 4,284.4 |
| Warrants | 0.0 | 891.4 |
| Swaps | 24.7 | 0.0 |
| Total | 19,666.7 | 93,656.9 |
| | 1991 | 1990 |
| US\$ | 21,353.2 | 42,340.5 |
| Other | 88,244.5 | 145,209.5 |
| | 1991 | 1990 |

Notes: In January 1992, the turnover and trading figures are from September only.

Source: ISMA

INTERNATIONAL BONDS

Roaring start may herald record year in D-Mark sector

THE D-Mark Eurobond market could be set for a record year of new issue volume, judging by the surge of activity in the first few weeks of the year.

New issues totalling nearly DM7bn have emerged so far this year, already about 20 per cent of last year's total.

The sector stands to benefit from bullish sentiment on German interest rates and the D-Mark. With last year's poor performance poised for reversal, there has already been a substantial shift of assets, largely US, into the German bond market.

Demand for D-Mark Eurobonds seems unusually broad-based, covering retail and institutional investors in the domestic market and overseas. The average new issue size has risen from DM160m to DM280m, which could boost liquidity, and surging demand has attracted a more interna-

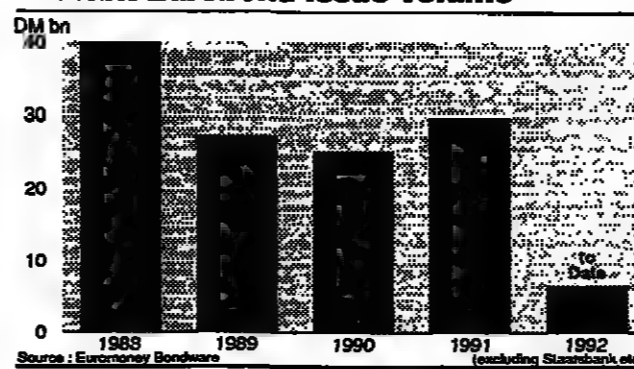
tional range of issuers, including Norway and Belgium.

Borrowers have also been enticed by arbitrage opportunities enabling them to swap new issue proceeds into floating rate funds at attractive rates. However, swap rates shifted abruptly last week, due to a lack of counterparties willing to pay fixed-rate D-Marks.

As D-Mark rates are widely expected to fall, few banks will at present commit themselves to paying fixed-rate interest in D-Marks - at least not at a rate attractive to borrowers.

The market faces other potential handicaps. Although yields are expected to fall, it will be difficult for Eurobond yields to maintain their tight spreads relative to bonds. Some Eurobond yields are lower than bund yields, reflecting the participation of retail investors who often prefer bearer bonds to registered

D-Mark Eurobond issue volume



Source: EuroMoney Bondware

paper, for tax reasons. Nevertheless, dealers say this anomaly cannot persist in a widely-traded market.

Illogical trading levels reflect a more serious problem: the market's well-known illiquidity, which could yet scotch the

expansion of the market, despite favourable portents.

German institutions, as well as retail investors, are less concerned about liquidity than many of their counterparts overseas. "A lot of German institutions, like insurance

companies, are still lock-up buyers," one trader said.

The market is still largely domestic in character, and overseas institutions in many cases prefer to buy bunds, particularly when D-Mark Eurobonds offer little pick-up.

Also, the structure of the primary market is old-fashioned - for example, the fee structure is not competitive with other Eurobond sectors.

However, there are some favourable points.

Bund market volume no longer seems a serious threat, given the bull market. Last year, the market was beset by fears that borrowing requirements would rocket because of the need to fund the development of eastern Germany. But bund issuance fell well below initial expectations.

The government's handling of its borrowing has also reassured investors. "The panic

selling of bunds (by the government) of two years ago is over," said one trader. If the market can absorb government debt, part of any residual appetite for paper will generate demand for Eurobonds.

Secondly, following the recent securities reforms, Frankfurt's desire to liberalise is seen as hopeful. The way could soon be open for development of a medium-term note market, which would broaden Germany's debt markets.

Meanwhile, Frankfurt's growing importance as a financial sector is prompting international banks, US investment banks in particular, to build up their presence there. As this shift coincides with a bull market in German bonds, these banks are likely to renew their efforts in a sector long dominated by German banks.

Tracy Corrigan

NEW INTERNATIONAL BOND ISSUES

| Borrowers | Amount m. | Maturity | Av. life years | Coupon % | Price | Book runner | Offer yield % | Borrowers | Amount m. | Maturity | Av. life years | Coupon % | Price | Book runner | Offer yield % |
|-------------------------------|-----------|----------|----------------|----------|---------|-----------------------|---------------|---|-----------|----------|----------------|----------|---------|----------------------|---------------|
| US DOLLARS | | | | | | | | | | | | | | | |
| Mitsui Eng. & Shipbuilding | 380 | 1996 | 4 | 3 1/4 | 100 | Nomura Int. | 3.125 | Nihon Kohden (Japan) | 40 | 1996 | - | 4 1/4 | 100 | Yamaichi Bk (Switz) | 4.375 |
| Sega Enterprises | 200 | 1996 | 4 | 3 1/2 | 100 | Nomura Int. | 3.500 | Inter-Am. Dev. Bank | 150 | 2000 | - | 7 | 102 1/2 | Swiss Volksbank | 8.613 |
| Asahi | 200 | 2002 | 10 | 7 1/2 | 99.38 | Merrill Lynch | 7.454 | Goldwin Int. (Japan) | 100 | 1996 | - | 4 1/4 | 100 | Yamaichi Bk (Switz) | 4.250 |
| Daewoo Co. | 100 | 1996 | 4 | 3 1/4 | 100 | Nikko Europe | 3.125 | Canara Corp (India) | 80 | 1996 | - | 4 1/4 | 100 | Nomura Bk (Switz) | 4.670 |
| C. Ichihara Co. | 100 | 1996 | 4 | 3 1/4 | 100 | Nikko Europe | 3.125 | Nissai House Ind. (Japan) | 20 | 1996 | - | 4 1/4 | 100 | J. Henry Schroder Bk | 4.806 |
| Dow Chemicals | 80 | 1996 | 4 | 3 1/4 | 100 | Nikko Europe | 3.125 | JSP Corp (Japan) | 20 | 1996 | - | 8 1/2 | 100 | Nomura Bk (Switz) | 5.050 |
| Samsung Electronics | 30 | 1997 | 5 | 7 1/2 | 101.70 | Bayernische LB | 6.567 | LIBRE | | | | | | | |
| Barclays | 200 | 1997 | 5 | 8 | 100.445 | Bankers Trust Int. | 8.280 | E. Mex. P. (Mexico) | 500bn | 2002 | 10 | 10 1/2 | 101.58 | Banco Italiano | 10.378 |
| Tubos de Acero (Mexico) | 30 | 1995 | 5 | 8 1/2 | 99.54 | Bankers Trust Int. | 8.931 | Mediobanca Int. | 100bn | 1999 | 7 | 11.7 | 101 1/2 | Banco di Roma | 11.305 |
| Gen. Elec. Corp. | 200 | 1996 | 4 | 8 1/4 | 101.325 | Kidder Peabody Int. | 8.075 | Credit Comm. France | 150bn | 1997 | 5 | 11.7 | 101 1/2 | IMI Bank (Lux.) | 11.200 |
| British Gas Int. Fin. B.V. | 200 | 1997 | 5 | 8 1/4 | 101.385 | Goldman Sachs | 8.428 | Finfor Danish Ind. | 200bn | 1999 | 7 | 11.7 | 101 1/2 | | 11.205 |
| STERLING | | | | | | | | | | | | | | | |
| South West Water | 150 | 2012 | 20 | 10 1/2 | 101.429 | SG Warburg Secs. | 10.463 | PESETAS | | | | | | | |
| BBK (UK) | 100 | 1997 | 5 | 10 | 100.505 | Samuel Montagu | 9.870 | BBK (UK) | 150m | 2002 | 10 | 10 1/2 | 101.35 | Banesto | 9.809 |
| ECU | | | | | | | | | | | | | | | |
| Republic of South Africa | 250 | 1997 | 5 | 10 1/2 | 100 | Paribas Capital Mkts. | 10.378 | SWEDISH KRONOR | | | | | | | |
| European Economic Comm. | 100 | 1997 | 7 | 8 1/2 | 101 1/2 | SG Warburg Secs. | 8.050 | Helaba Int. Fin. | 300 | 1997 | 5 | 10 1/2 | 101 1/2 | Den Danske Bank | 9.863 |
| Council of Europe | 65 | 1994 | 2 | 8 1/2 | 101.775 | Bankers Trust Int. | 8.387 | DANISH KRONER | | | | | | | |
| FRENCH FRANCS | | | | | | | | | | | | | | | |
| Peugeot Finance Int. (France) | 500 | 1999 | 4.167 | 20 1/2 | 100 | BNP | - | Finfor Danish Industry | 250 | 1997 | 5 | 8 1/2 | 102 | Kreditbank Int. | 8.377 |
| Credit Foncier de France | 300 | 2002 | 10 | 8 1/2 | 99.996 | BNP Capital Mkts. | 8.776 | YEN | | | | | | | |
| Promotech (Japan) | 300 | 1996 | 4 | 20 1/2 | 100 | Credit Lyonnais | - | Julo Paper | 20bn | 1997 | 5 1/2 | 8 1/2 | 100 | Nikko Europe | 6.297 |
| AUSTRALIAN DOLLARS | | | | | | | | | | | | | | | |
| Swedish Exp. Cr. (Japan) | 300 | 1995 | 3 | 8 1/2 | 100.30 | Hambros/NatWest Bk | 8.400 | Kingdom of Norway | 100bn | 1997 | 5 | 8 1/2 | 96.25 | ISJ Int. | 5.478 |
| D-MARK | | | | | | | | | | | | | | | |
| Deutsche Bk. Fin. (Germany) | 200 | 2002 | 10 | 8 | 102 1/2 | Deutsche Bank | 7.638 | Nippon Express Co. (Japan) | 30bn | 1999 | 7 1/2 | 8 1/2 | 101 1/2 | Nomura Int. | 5.743 |
| Manduca Food Co. (Japan) | 100 | 1996 | 4 | 4 1/4 | 100 | Deutsche Bank | 4.780 | LUXEMBOURG FRANCS | | | | | | | |
| Kingdom of Belgium | 500 | 2002 | 10 | 10 1/2 | 101 1/2 | Deutsche Bank | 7.488 | OCF (Paris) (France) | 10n | 2002 | 10 | 8 1/2 | 102 1/2 | BGL | 8.636 |
| Bayernische LB Int. (Lux.) | 500 | 1997 | 5 | 8 1/2 | 100 | Bayernische LB | 8.125 | LB Schleswig-Holstein Int. | 968 | 1996 | 8 | 9 | 102 1/2 | Bque. Paribas (Lux.) | 8.516 |
| Fiat Finance & Trade (Italy) | 100 | 1997 | 5 | 8 1/2 | 100 | Deutsche Bank | 8.010 | ASLK-CGER (Italy) | 10n | 2001 | 8 1/2 | 8 1/2 | 102.20 | Banque UCL | 8.525 |
| Province of Quebec | 800 | 2002 | 10 | 8 1/2 | 101 1/2 | WestLB | 7.818 | Kreditbank Int. (Fin.) | 10n | 1999 | 7 1/2 | 8 1/2 | 101 1/2 | BGL | 8.668 |
| Republic of Iceland | 175 | 2002 | 10 | 8 1/2 | 101.88 | CSFB Effectbank | 7.981 | Commerzbank Int. (Fin.) | 1.50n | 2002 | 10 | 8 1/2 | 102 | BGL | 8.450 |
| Province of Saskatchewan | 300 | 1999 | 7 | 8 1/2 | 101.88 | CSFB Effectbank | 7.981 | Notes: | | | | | | | |
| Teddlersden Volma Oy | 100 | 1993 | 7 | 8 1/2 | 102 1/2 | Dresdner Bank | 7.880 | 1. *Private placement, 2. Convertible, 3. With equity warrants, 4. Floating rate notes, 5. Variable rate note, 6. Fixed rate, 7. Callable at 101% of face, 8. Callable at 102% of face, 9. Callable at 103% of face, 10. Callable at 104% of face, 11. Callable at 105% of face, 12. Callable at 106% of face, 13. Callable at 107% of face, 14. Callable at 108% of face, 15. Callable at 109% of face, 16. Callable at 110% of face, 17. Callable at 111% of face, 18. Callable at 112% of face, 19. Callable at 113% of face, 20. Callable at 114% of face, 21. Callable at 115% of face, 22. Callable at 116% of face, 23. Callable at 117% of face, 24. Callable at 118% of face, 25. Callable at 119% of face, 26. Callable at 120% of face, 27. Callable at 121% of face, 28. Callable at 122% of face, 29. Callable at 123% of face, 30. Callable at 124% of face, 31. Callable at 125% of face, 32. Callable at 126% of face, 33. 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CURRENCIES, MONEY AND CAPITAL MARKETS

MONEY MARKETS

Waiting for G7

The foreign exchange market will focus on the outcome of a meeting of finance ministers and central bankers of the Group of Seven industrial countries.

In particular, there is speculation that the meeting could herald a period of co-ordinated exchange rate policy in pursuit of broader economic objectives. This would entail a commitment to co-ordinated intervention and when required.

The most likely target for intervention is the yen, which many governments would like to see strengthen as a means of

Beregovoy, the French finance minister, added to speculation that a broader exchange rate policy may be agreed by commenting last week that a gradual appreciation of the yen was desirable.

Yet the dollar, in particular, does not seem keen to obey the wishes of its would-be political masters. Intervention by the US Federal Reserve and the Bank of Japan pushed the US currency down to below ¥120 for a time last week, but by Friday the dollar had risen to ¥125.

Analysts question how long even a concerted exchange rate policy by the G7 countries can cap the dollar and support the yen. Many are predicting a dollar/yen rate of ¥140 by the year end, irrespective of intervention.

The reasoning is that Japanese interest rates will have to come down as the economy slows, while US rates may have bottomed. The volatility of the stock market, coupled with the clearly rising dollar for yen on January 17 in a surprise bout of intervention, Mr Pierre

is warning the huge Japanese trade surplus - up 50 per cent to \$32.8 billion last year.

The US and Japanese authorities have been co-operating in this regard, leading the Japanese authorities allowed money market rates to slide.

CURRENCY MOVEMENTS

Jan 24

| Currency | Jan 24 | Jan 23 | Jan 22 |
|--------------------|---------|---------|---------|
| US Dollar | 100.00 | 100.00 | 100.00 |
| British Pound | 163.50 | 163.50 | 163.50 |
| French Franc | 6.55 | 6.55 | 6.55 |
| German Mark | 1.36 | 1.36 | 1.36 |
| Italian Lira | 2036.27 | 2036.27 | 2036.27 |
| Japanese Yen | 125.00 | 125.00 | 125.00 |
| Swiss Franc | 1.48 | 1.48 | 1.48 |
| Spanish Peseta | 166.64 | 166.64 | 166.64 |
| Portuguese Escudo | 200.48 | 200.48 | 200.48 |
| Belgian Franc | 36.36 | 36.36 | 36.36 |
| Dutch Guilder | 1.83 | 1.83 | 1.83 |
| Australian Dollar | 1.55 | 1.55 | 1.55 |
| New Zealand Dollar | 1.25 | 1.25 | 1.25 |
| South African Rand | 10.00 | 10.00 | 10.00 |
| Israeli Sheqel | 1.80 | 1.80 | 1.80 |
| Thai Baht | 50.00 | 50.00 | 50.00 |
| Singapore Dollar | 1.35 | 1.35 | 1.35 |
| Malaysian Ringgit | 2.36 | 2.36 | 2.36 |
| Indonesian Rupiah | 1600.00 | 1600.00 | 1600.00 |
| Philippine Peso | 46.00 | 46.00 | 46.00 |
| Chinese Yuan | 8.27 | 8.27 | 8.27 |
| South Korean Won | 200.00 | 200.00 | 200.00 |
| Indian Rupee | 47.83 | 47.83 | 47.83 |
| Pakistani Rupee | 100.00 | 100.00 | 100.00 |
| Thai Baht | 50.00 | 50.00 | 50.00 |
| Singapore Dollar | 1.35 | 1.35 | 1.35 |
| Malaysian Ringgit | 2.36 | 2.36 | 2.36 |
| Indonesian Rupiah | 1600.00 | 1600.00 | 1600.00 |
| Philippine Peso | 46.00 | 46.00 | 46.00 |
| Chinese Yuan | 8.27 | 8.27 | 8.27 |
| South Korean Won | 200.00 | 200.00 | 200.00 |
| Indian Rupee | 47.83 | 47.83 | 47.83 |
| Pakistani Rupee | 100.00 | 100.00 | 100.00 |

STERLING INDEX

| | | Jan 24 | Previous |
|-------|----|--------|----------|
| 9.30 | AM | 90.4 | 90.8 |
| 9.00 | AM | 90.4 | 90.8 |
| 10.00 | AM | 90.4 | 90.7 |
| 11.00 | AM | 90.4 | 90.7 |
| 12.00 | PM | 90.4 | 90.7 |
| 1.00 | PM | 90.4 | 90.7 |
| 2.00 | PM | 90.4 | 90.7 |
| 3.00 | PM | 90.4 | 90.7 |

11-12-1971

March 1942, Tokyo

The image shows a rolled-up document, possibly a blueprint or technical drawing, with a table visible. The table has three main columns: 'ITEM NO.', 'DESCRIPTION', and 'QUANTITY'. The document is partially unrolled, showing the table structure and some handwritten notes. The table contains multiple rows of data, including item numbers, descriptions, and quantities. The document is rolled up, and the table is visible through the unrolled section.

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

[illegible]

Continued on next page

NYSE COMPOSITE PRICES

| Stock | High | Low | Open | Close | Change | Volume | High | Low | Open | Close | Change | Volume |
|-----------|--------|--------|--------|--------|--------|-----------|--------|--------|--------|--------|--------|-----------|
| IBM Corp | 125.00 | 124.00 | 124.50 | 124.00 | -0.50 | 1,200,000 | 125.00 | 124.00 | 124.50 | 124.00 | -0.50 | 1,200,000 |
| Microsoft | 65.00 | 64.00 | 64.50 | 64.00 | -0.50 | 800,000 | 65.00 | 64.00 | 64.50 | 64.00 | -0.50 | 800,000 |
| Oracle | 45.00 | 44.00 | 44.50 | 44.00 | -0.50 | 600,000 | 45.00 | 44.00 | 44.50 | 44.00 | -0.50 | 600,000 |
| Intel | 35.00 | 34.00 | 34.50 | 34.00 | -0.50 | 500,000 | 35.00 | 34.00 | 34.50 | 34.00 | -0.50 | 500,000 |
| Apple | 25.00 | 24.00 | 24.50 | 24.00 | -0.50 | 400,000 | 25.00 | 24.00 | 24.50 | 24.00 | -0.50 | 400,000 |
| IBM Corp | 125.00 | 124.00 | 124.50 | 124.00 | -0.50 | 1,200,000 | 125.00 | 124.00 | 124.50 | 124.00 | -0.50 | 1,200,000 |
| Microsoft | 65.00 | 64.00 | 64.50 | 64.00 | -0.50 | 800,000 | 65.00 | 64.00 | 64.50 | 64.00 | -0.50 | 800,000 |
| Oracle | 45.00 | 44.00 | 44.50 | 44.00 | -0.50 | 600,000 | 45.00 | 44.00 | 44.50 | 44.00 | -0.50 | 600,000 |
| Intel | 35.00 | 34.00 | 34.50 | 34.00 | -0.50 | 500,000 | 35.00 | 34.00 | 34.50 | 34.00 | -0.50 | 500,000 |
| Apple | 25.00 | 24.00 | 24.50 | 24.00 | -0.50 | 400,000 | 25.00 | 24.00 | 24.50 | 24.00 | -0.50 | 400,000 |

AMEX COMPOSITE PRICES

| Stock | High | Low | Open | Close | Change | Volume | High | Low | Open | Close | Change | Volume |
|-----------|--------|--------|--------|--------|--------|-----------|--------|--------|--------|--------|--------|-----------|
| IBM Corp | 125.00 | 124.00 | 124.50 | 124.00 | -0.50 | 1,200,000 | 125.00 | 124.00 | 124.50 | 124.00 | -0.50 | 1,200,000 |
| Microsoft | 65.00 | 64.00 | 64.50 | 64.00 | -0.50 | 800,000 | 65.00 | 64.00 | 64.50 | 64.00 | -0.50 | 800,000 |
| Oracle | 45.00 | 44.00 | 44.50 | 44.00 | -0.50 | 600,000 | 45.00 | 44.00 | 44.50 | 44.00 | -0.50 | 600,000 |
| Intel | 35.00 | 34.00 | 34.50 | 34.00 | -0.50 | 500,000 | 35.00 | 34.00 | 34.50 | 34.00 | -0.50 | 500,000 |
| Apple | 25.00 | 24.00 | 24.50 | 24.00 | -0.50 | 400,000 | 25.00 | 24.00 | 24.50 | 24.00 | -0.50 | 400,000 |

IRISH TRADE LINKS WITH THE EUROPEAN COMMUNITY

The FT proposes to publish this survey on March 6 1992.

The more predominant role of the E.C. will have the greatest impact on Company's business over the next few years. This was the view of 51% of the top chief executives in Europe in 1990 who read the Financial Times.

In Ireland 43% of Senior Businessmen / women are FT readers.

Information on advertising in this survey can be obtained from:

Charles Blackford
20 Upper Merion St.
Dublin 2, Ireland.
Tel: 761184 Fax: 761125
Kerry Saunders in London
Tel: 071 873 4823 Fax: 071 873 3079

Data source: Chief Executives in Europe 1990

FT SURVEYS

NASDAQ NATIONAL MARKET

4:00 pm prices January 24

| Stock | High | Low | Open | Close | Change | Volume | High | Low | Open | Close | Change | Volume |
|-----------|--------|--------|--------|--------|--------|-----------|--------|--------|--------|--------|--------|-----------|
| IBM Corp | 125.00 | 124.00 | 124.50 | 124.00 | -0.50 | 1,200,000 | 125.00 | 124.00 | 124.50 | 124.00 | -0.50 | 1,200,000 |
| Microsoft | 65.00 | 64.00 | 64.50 | 64.00 | -0.50 | 800,000 | 65.00 | 64.00 | 64.50 | 64.00 | -0.50 | 800,000 |
| Oracle | 45.00 | 44.00 | 44.50 | 44.00 | -0.50 | 600,000 | 45.00 | 44.00 | 44.50 | 44.00 | -0.50 | 600,000 |
| Intel | 35.00 | 34.00 | 34.50 | 34.00 | -0.50 | 500,000 | 35.00 | 34.00 | 34.50 | 34.00 | -0.50 | 500,000 |
| Apple | 25.00 | 24.00 | 24.50 | 24.00 | -0.50 | 400,000 | 25.00 | 24.00 | 24.50 | 24.00 | -0.50 | 400,000 |

ARE YOU GETTING YOUR FT COMMENT DAILY?

